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THE FINANCIAL POST

The Canadian Newspaper for Business Men and Investors

Largest Circulation of Any Canadian Financial Paper

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The Nation's Business

What the Parties Offer You

Election Symposium

Mr. Aberhart Makes Some Sound Promises

Canada's Railway Drift to Socialism

Women Elected Alberta Government

Look 'Em Over; Take Your Choice

IN THIS issue, The Financial Post presents a summary of the platforms of the four principal political parties in Canada.

The summary has been prepared without bias, without prejudice and as fairly as possible.

Part of every man's education in citizenship should be an understanding of what each of his political leaders stands for. And the first step in determining this is taking them at their word.

The average business man will feel that there is a failing common to all the leaders; an underestimate of the importance of sound finance, of positive measures to balance the national budget.

But the party platforms, as presented in manifestoes and addresses, are here presented and the intelligent reader will find The Post's summaries not without value in weighing the worth of the different parties at this particular juncture.

There may be some smaller political groups who will claim to have been ignored: the Communists or the Social Credit groups, for example. But such parties could hardly be included. Communist candidates admittedly run only for their nuisance value. The Social Credit party is hardly yet organized for Dominion politics although it may enjoy some success in this election.

• • •

Promises That Are Promises

PREMIER WILLIAM ABERHART achieved great publicity on his trip to the East. These things he said that were so novel as to be startling coming from the lips of a political leader:

> He would balance the province's budget and keep it in balance.
>
> He would meet every provincial obligation without confiscation or repudiation.
>
> He would make a complete survey of the province's business before even attempting his Social Credit plan.
>
> He would take one step at a time and if that step proved to be a false one he would retrace it before proceeding further.

More than this no man can fairly ask of any governmental chieftain —except it be the carrying out of the promises.

• • •

MR. ABERHART will find it difficult, however, to abide by these assurances. His political workers have not promised the people a careful, practical survey. They have promised the people their $25 a month and the people will now want to collect.

And Canadian political history reveals that it is the first false steps, not always recognized as such when they are taken, that lead on to larger calamities.

If Mr. Aberhart makes a mistake, if he starts his plan working before it has been proved that it can work, then the results may be disastrous.

Mr. Aberhart has been candid in asking for co-operation and advice. All good Canadians must now give him both to the best of their ability and in the friendliest possible spirit. For it is just as necessary to avoid a collapse in Alberta, from the adoption of Social Credit, as it is to adopt Social Credit in Alberta if it turns out to be a more practical thing than Mr. Aberhart has yet been able to make it appear to be.

• • •

Drifting Toward State Rail Monopoly

HAVING established an Economic Council—or rather having provided for it since the members have not yet been appointed—Mr. Bennett is hardly to be criticized if he undertakes to ask that council to advise upon the solution of the railway problems.

Mr. Bennett wants transportation to be viewed as a whole and the problem of the railways to be studied in its relation to air and road services and railway modernization. This is sound.

He wants the problem to be reviewed by someone other than the politicians. This, too, is sound but whether or not it will get us anywhere to turn the problem over to the economic council depends very largely upon who comprises this

(Continued on page 2, col. 3)

Threat to Argentine Crop Skyrockets Wheat Prices

Dramatic Market Change Puts Winnipeg in Healthy Position — Buying Exceeds Available Supply

WINNIPEG.—Liverpool and Buenos Aires became genuinely excited this week. Possibility of a wheat crop failure in the Argentine due to drought shot prices up sharply. Corresponding advances took place in Winnipeg, prices moving upward the full allowable limit. Dollar wheat becomes a firm possibility.

Winnipeg on Parity

The change puts Winnipeg prices in a healthy relation with other markets. Liverpool October option, long considerably below Winnipeg advanced well above Canadian market, although May still lagged behind. The difference reflects the scarcity of immediate supplies of wheat for British and continental markets. Supplies on passage had been allowed to run down to low levels, while the outcome of the Argentine situation was awaited. Canadian No. 2 wheat is being offered in Liverpool at only four cents above Argentine, duty paid, while No. 3 northern wheat and lower grades, and the Garnet grades, are underselling Argentine wheat.

Rush of Buying

These conditions brought a rush of buying into the Winnipeg market. This was in excess of available supplies, which were reduced by slow threshing and by the fact that the crops of the early threshed districts were small. Delayed selling on the part of farmers waiting for wheat board developments, and by the reluctance of the Government agency to offer old crop wheat for sale were additional factors. Although actual wheat shipments from Canada showed a disappointingly small total last week, with none of the hoped for improvement, the insistence of some of the buying this week suggests that decidedly larger exports may be expected.

A few export sales of oats, and further enquiries suggest that purchases are being made to fill possible military requirements.

SCHEME WAYS TO GET AROUND DISCOUNT LAW

Sale of Services and Net Price Contract Proposed

MANY COMPLICATIONS

Means of getting around the new federal discount law are being devised. This regulation makes it a criminal offense for manufacturers or processors to give one buyer special discounts, rebates or allowances which are not available to others purchasing a like quantity of the same quality goods, at the same time.

One method which has been proposed is the purchase of services. These might be window displays, prominent shelf displays, special counter space, advertising space and so on. Manufacturers contend that the law does not prevent them from paying what they consider is a fair amount for any service they feel disposed to buy.

Valuation of Services

Manufacturer and distributor will naturally have to negotiate as to the value of the services offered. One distributor may demand more for a certain service than another in view of the fact that it may attract a greater number of shoppers. Some window displays may also be considered more valuable than others; and the same may be said to some extent of newspaper advertising. So that if this policy is adopted, certain distributors buying the same quantity and quality of goods at the same time will not necessarily be charged the same amount.

Certain other large firms are demanding a net price from manufacturers. They are not asking for special treatment of any kind, but simply the best net quotation the manufacturer can give. They contend that there is nothing in the new law to prevent a manufacturer from giving one firm a better net price than another; it is only when there is a discount, rebate or allowance given that they must be uniform.

Food Industry

Manufacturers in one branch of the food industry have joined forces with a view to regulation of discounts and, as far as possible, of prices. For this purpose they have classified the firms according to size. These classifications range all the way from large, nationally known concerns to the small local operator. The idea is to allow smaller firms more leeway in the matter of prices and discounts. It is argued that if distributors can buy well known brands on the same terms as those with which the public is not familiar, the small manufacturer may be forced right out of business.

When this particular industry has its programme complete, it intends to submit it to the Government for approval under the new Trade and Industry Commission Act.

Manufacturers Confused

Manufacturers generally admit that the discount law has them baffled. In the first place they are not certain of the constitutionality of the act. And then there are so many terms employed in the act which are open to varying interpretations.

August Trade Soars Upward

Canadian trade in August reached the highest total since May, 1931, $21.9 millions over that in the same month last year. The advance in exports was especially great, representing an increase of 28 per cent over last August, and of 58 per cent over two years ago.

		— Change — From Prev. Period %	From Prev. Year %
Monthly:	August		
Trade .... $	121,260,000	+16	+22
Newsprint .... tons	235,573	+1	+9
	July		
Boots & shoes, pr.	1,723,192	−2	+30
Weekly:			
Car loadings	44,673	−6	−6
Cattle sales	24,053	+27	+36
Hog sales	11,932	+7	−11

CONFEDERATION IS REINSURING CAPITAL LIFE

Ottawa Concern Absorbed by Leading Canadian Life Company

10-YEAR AGREEMENT

Climaxing four months of negotiation, Confederation Life Association has reinsured all policies of the Capital Life Assurance Co. of Ottawa. The agreement is effective Sept. 12 subject to routine government approval and official endorsation by Capital Life shareholders.

By the agreement, policyholders of the Capital greatly improve their position as regards security and dividend prospects, while shareholders have a 10-year period in which to realize the $256,000 they have invested in the company since it was formed in 1911.

All Obligations Assumed

Confederation Life assumes all assets and liabilities of the company and reinsures all policyholders. This will add about $1,800,000 of assets to a company which this year topped the $100 millions mark; will swell business in force by $11.5 millions, bringing, the Confederation total to near the $400 millions mark. It is the fourth company to be taken over by Confederation since 1929 when it absorbed the old Security Life of Toronto.

Personalities involved are on the one hand, C. S. MacDonald, president of Confederation Life and V. R. Smith, general manager and actuary. Managing director, vice-president and chief shareholder of Capital Life and guiding officer since its inception 24 years ago is A. E. Corrigan, of Ottawa. John J. Lyons of the same city is president.

Heavy Liabilities

For the past year and a half it has been common knowledge in insurance circles that Capital Life would either have to make a call on shareholders or else seek support with another company. Latest statement of G. D. Finlayson, federal insurance superintendent (under which both companies are registered) shows the paid-up capital stock of the Capital to have been wiped out, with an additional excess of liabilities over assets of $107,000. Potential protection for policyholders was, of course, the subscribed but unpaid capital stock amounting to $673,000.

Policyholders' Position

The new agreement means that policyholders of Capital will receive a "certificate of agreement" from the Confederation showing the latter company to have assumed complete responsibility for the liability involved in each policy. Out of $11.5 millions of business in force, $8 millions is in participating insurance and the remainder in non-par.

Participating policyholders (who have received no dividends since 1932) will be guaranteed between

(Continued on page 2 col. 5)

FLOUR MILLERS PROFITS VANISH IN PAST YEAR

Exports Handicapped, Domestic Strife Intense

FACE NEW POSITION

Maple Leaf, West. Canada, Int. Milling, Ogilvie, Lake of Woods, St. Lawrence Reviewed

The flour-milling year, which closed for most major companies on Aug. 31, was one of the poorest on record.

Reduced profits and some actual losses after all charges will be shown in annual reports which will appear in the near future. There may be one or two exceptions to this deterioration of earnings, but in no case will a company report major improvement of earnings.

For 1935-36 a new set of circumstances prevails which makes millers more hopeful. Last year's problem of imports of British flour for example has been corrected by good crops of soft winter wheat in Eastern Canada. Another major change is that the spread between Liverpool and Canadian wheat prices has narrowed.

Wheat Spread Hurt

As in 1933-34, the major factor working against satisfactory profits for Canadian milling companies was the spread between Winnipeg wheat prices and world prices. The relatively exalted Winnipeg price made grain more costly to millers than was warranted by export flour prices. The effect was to continue to cramp exports.

A consequence was stiff price competition for exports. Also, the once-profitable domestic market became a field for intensive price competition due to the difficulty of obtaining outlets for Canadian flour abroad.

The view of millers is not that higher wheat prices would hurt their business. They would, in fact, welcome higher wheat prices, provided that Canadian prices are not on a higher relative plane than prices in Britain. This would give Canadian millers grain of a cost comparable with costs of grain to British millers. The result would be to enable Canadian firms to regain at least part of their former export flour trade.

Circumstances Change

There is a tinge of optimism in the views of Canadian millers on the prospects for improvement in the trade in 1935-36. The new circumstance of the Ottawa grain board will have an important bearing on the milling trade. If, as is hoped, Canadian wheat prices are kept in line with export levels, this new circumstance will be favorable to milling companies.

Volume and Prices

Both volume of wheat flour exports and production were lower in the year ended July 31, 1935, than in the preceding year. This does not

(Continued on page 17)

B. C. GOVERNMENT INSURANCE PLAN MEETS OPPOSITION

From Our Own Correspondent

VANCOUVER. — Representatives of Consolidated Mining & Smelting Co. and West Kootenay Light & Power Co., lumbermen and other manufacturers, have recorded their opposition to the proposed health insurance scheme of the British Columbia Government. They believe that the programme will place an unjustifiable burden on industry and the general taxpayer and that several individual corporations are already giving similar protection on more advantageous terms.

S. G. Blaylock, vice-president and general manager of Smelters, has been assured by Hon. G. M. Weir, minister of health and chief sponsor of the legislation, that if his company's plan is superior to the province's, Smelters employees need not come under the government scheme. Mr. Blaylock believes that each industry should carry its own health protection responsibility.

The proposed B. C. health scheme would cost $6,327,500, but industrial leaders believe that this is too conservative an estimate.

Can. General Electric Pref. Drops Toward Call Price

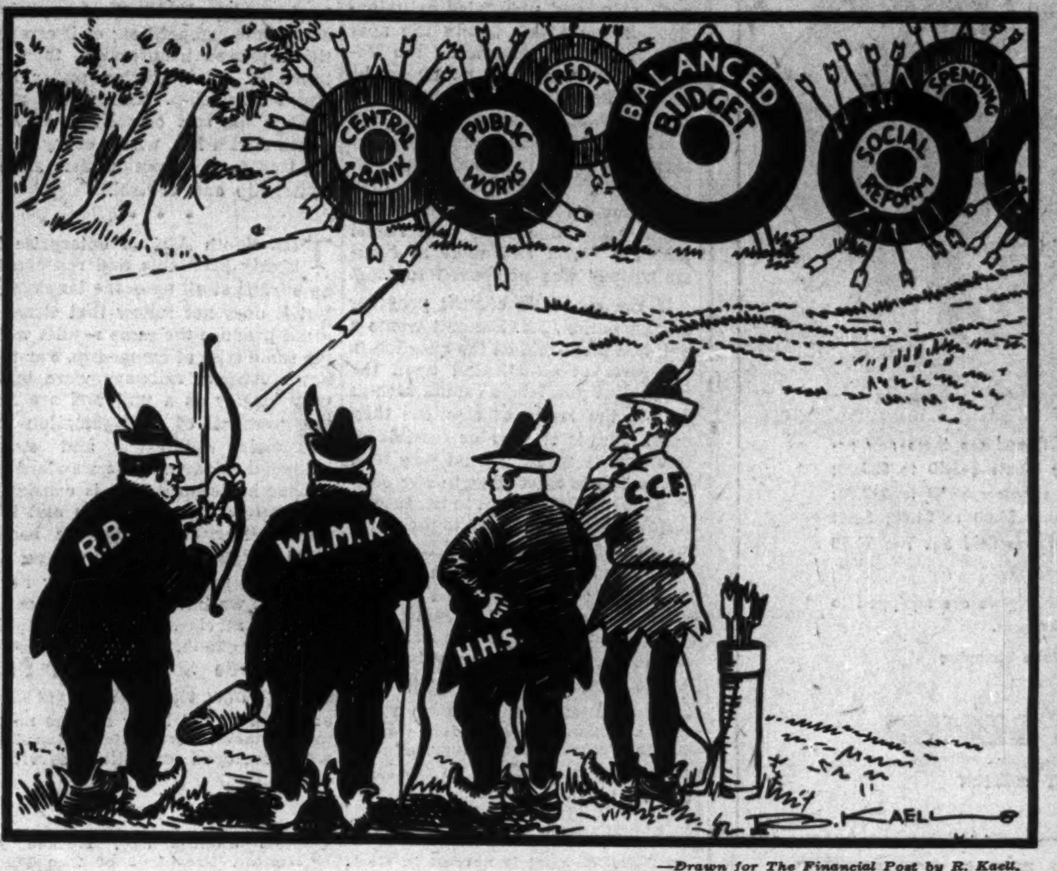
Canadian General Electric 7 per cent preferred of $50 par value has dropped from a high of 64 to a low of 59 in 1935 and is currently at 59½. Investors every now and then become fearful that the directors will call the stock at $57.50 and this is one of those occasions. The same flurry was noted eight months ago.

The Financial Post is informed by the company that no action to this end has been taken by the directors. The board has discussed the matter from time to time, it is understood, but the directors set great value on the fact that the preferred shares are widely distributed in Canada. That value is regarded as all the more real because the common stock is nearly all owned by General Electric Co. in the United States.

But for the call price of $57.50 this stock would go much higher. Even with the possibility of it being called at 57½ the stock went to $67 a share in 1934.

Issued in 1924 dividends have always been paid and earned The requirement of $3.50 a share has been covered more than seven times in a pre-depression year and substantially in the worst year.

Investors, however, simply cannot get over the fear that the stock will be called. The company gets less than half a million dollars on its $11.4 millions of Government bonds. It could redeem the $8.6 millions of preferred stock for $9.9 millions and save yearly dividends of $599,043. That would be a yearly net saving of more than $150,000. It would still have about $1.6 millions in Government bonds and the yearly interest on this.



—Drawn for The Financial Post by R. Kaell.

WON'T SOMEONE TRY A STRAIGHT SHOT AT THE BIG TARGET?

Tumbling Bond Prices Hit Refunding Plans For Government Loans

Conversion Boomerang to $114,393,000 of Financing

SCARES INVESTORS

Proposal to Cut Interest Rates on Outstanding Bonds Might Cost More Than Worth

Plunging precipitately, highest grade Canadian government bonds in the past three weeks have suffered the sharpest slump of prices since September, 1931, when Great Britain suspended gold payments.

The dive of bond prices is depicted in an animated chart of The Financial Post's daily average on page 14. Averages appear on page 5 and the broad slump of individual issues is shown in the comparative quotations on page 16.

With the federal election on Oct. 14, and $114,393,000 of Dominion bonds maturing Oct. 15, the slump in bond prices has added to the complications of selling the usual October loan to Canadian investors. The effect of the decline of bonds is to make financing more expensive. It is probable that short-term borrowing will be the device used to tide over the Oct. 15 maturities until financial markets become more settled.

Decline Outlined

Up to the end of July, in sympathy with British and U. S. trends, there had been a moderate tendency for government bonds to relinquish part of their advances of 1934. In August, before and after Alberta's Social Credit election, a pronounced decline occurred. This was arrested. Then on Sept. 9 Premier R. B. Bennett made his proposal of a national debt conversion at lower interest rates. Bonds have been seeking a new bottom ever since.

The sudden downward movement of government bonds has resulted in interest rates on middle term Dominion issues rising from about three per cent to over four per cent.

Other results:

Shrinkage in market value of the $7 billions of federal, provincial and municipal bonds is estimated at $200 to $300 millions.

British, American and Canadian investors have been selling Canadian bonds at shrunken prices.

Important institutions and private investors in Canada, Britain and the United States have adopted the policy of not buying Canadian governmental securities.

Effect on Investments

Effect of the sharp rise of interest rates on government securities is to undo a large part of the work of the past two or three years which aimed at gradual reduction of interest rates throughout the Canadian debt structure. The higher the rate goes on government securities, the less attractive become rates on secondary securities. Establishment of low rates on gilt-edged bonds turned funds into secondary bonds and into stocks. The rise of rates on gilt-edged securities may reverse matters.

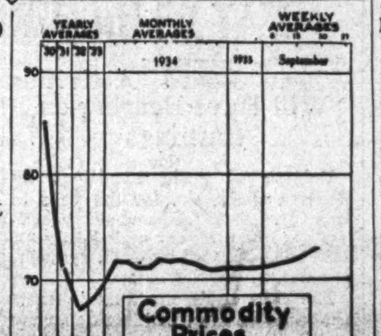
Spread of lower interest rates in Canada has been effective in allowing refinancing of existing debt at reduced cost. Corporations have been able to sell four per cent bonds and five per cent preferred shares to replace six and seven per cent securities. Governments have been able to refund maturing securities at greatly reduced rates.

Dealer's Opinion

One leading investment dealer expressed the opinion to The Financial Post:

"Canada has made a great deal of progress in the reduction of interest rates already, and with careful study and intelligent handling still greater results could be quickly achieved without sacrificing the credit and integrity of the country. If these are sacrificed our

(Continued on page 14)



Wholesale commodity prices advanced to 72.2 in the week ended Sept. 13, from 71.5 in the preceding week, according to the index compiled by the Dominion Bureau of Statistics.

SAY BENNETT BOND SCHEME NOT COERCIVE

But Market Collapse Upsets $150,000,000 Loan Plans

GOT NO ADVICE

From Our Own Correspondent

OTTAWA.—Collapse of the bond market following Premier R. B. Bennett's radio address last Saturday night is being watched by Ottawa officials with unconcealed disappointment not untouched by keen anxiety.

The bond market has collapsed because Mr. Bennett's vigorous advocacy of reduced debt and interest burdens has been generally interpreted as meaning a compulsory conversion of the funded debt of Canada—should the Bennett party be returned to office. It is declared positively at Ottawa, however, that Mr. Bennett's words do not bear such an interpretation and that under no circumstances would the government party contemplate a compulsory conversion. This, it is felt, would be repudiation.

It is learned, officially, that Mr. Bennett made this reference to debt charges without consulting either his colleagues or his financial experts. They were just as surprised at his language as were the bondholders.

Upsets Loan Plans

The effect of the speech on the negotiations now proceeding with regard to the October loan has been disastrous. If Mr. Bennett can be persuaded to clarify his stand publicly and pledge himself against forced conversion, all will be well. But this is not probable.

At one fell swoop much of the progress in lower interest charges achieved by the careful policies of the finance department in the past three years has been wiped out. Anxiety is felt since the Dominion must meet maturities of $114,393,000 on Oct. 15 and actually requires a somewhat larger sum, possibly $150,000,000. This money may now cost the taxpayers not three per cent but four per cent.

Toronto General Trusts Cuts Dividend to 4 p.c.

Announcement by Toronto General Trusts Corp. of a cut in its dividend rate from six to four per cent, effective with the payment on Oct. 1 to shareholders of record Sept. 21, marks the fourth reduction in the last four years.

Highlights

Election Platforms

The four major political party platforms are condensed and presented in comparative manner. Also highlights in lives of Messrs. Bennett, King, Woodsworth and Stevens, and party present standing. Page 11

$8,000,000 for Votes

Cost of Canada's coming election will be $8 millions. Each vote cast averages $1.60. How are these figures compiled? Page 10

The European Crisis

Great Britain forced Premier Laval's hand in Italo-Ethiopian dispute. The British attitude and France's relations with Italy bared. Page 6

What's Behind Copper?

Copper prices hit new high. Striking effect on several important Canadian mining stocks. What's all the excitement about? Page 19

Black Man's Gold

I. M. Marshall, Canadian mining engineer, returns to Canada from new Kenya gold fields in Africa. Canadian capital already interested. Page 18

Social Creditland

Exploration of darkest Aberhartia uncovers some of its wonders. Premier Aberhart of Alberta metamorphoses some of his views. Intimate revelations on his "social credit" scheme. Page 13

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GREAT LAKES NEW CONTROL BIG QUESTION

Decision of Bondholders Vital to Operators and Publishers

MAY CARRY ON

Could Secure Better Offer if Present Prospects Materialize — Many Are Interested

From Our Own Correspondent

MONTREAL. — Two situations loom up importantly in newsprint affairs this week. Over in London representatives of the Canadian manufacturers are discussing markets particularly those in South America and the Orient, with the European newsprint producers. In Toronto a group of Great Lakes Paper Co. bondholders met to consider bids made on the property put up for auction by the trustee on September 10 last.

Seven Possible Bidders

Four bids have been made on the Great Lakes property, which is capable of turning over 300 tons of newsprint paper daily. At the time of going to press no official word was available as to the identity of the bidders, but those intimately in touch with the situation list seven possible bidders. They follow:

Hearst group.
Knox syndicate.
Sweezey group.
International Paper.
Dominion Bank.
John Stadler and;
G. H. Mead.

Reasons For Interest

The Hearst newspapers in the United States collectively form one of the largest newsprint buying groups in the world. The buying organization for Hearst would like control of a Canadian property in order to strengthen its bargaining or marketing power. The Hearst organization already has been interested in the Ste. Anne's mill.

The Knox syndicate comprises the Chicago News and other newspapers in the mid-West field centring around Chicago. This group are reported to have become interested in the Great Lakes property some time ago.

R. O. Sweezey and associates have long been interested in the financial rehabilitation of the Canadian newsprint industry. They took an active interest in the early, but unsuccessful plans, for the reorganization of Price Bros. and Co., and are also reported to be interested in Abitibi.

Others in the Running

International Paper would not be adverse to picking up a mid-west mill to round out its productive facilities.

The Dominion Bank ranks as one of the principal creditors and has a substantial interest in any plan of reorganization for the company.

John Stadler has at one time or another been associated with a number of important Canadian newsprint companies. Of late years he has been acting as a consultant and was instrumental in interesting Bowaters Paper Mills in Price Bros.

G. H. Mead headed a company which contracted for about 85 per cent of Abitibi's output and sold it to American consumers. Ownership of the Mead sales company was bought by the Abitibi receiver. Mead first became prominently identified with the Canadian newsprint industry through the old Spanish River company.

Of the seven possible bidders it is more than likely that the offers made for the property came from Hearst, Knox and the Sweezey syndicates and from a group associated with the Dominion Bank.

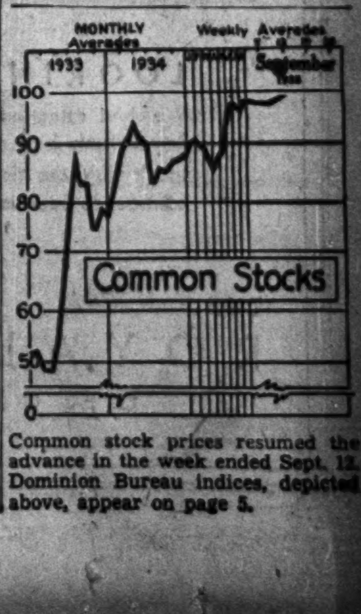
Three Factors to Consider

Great Lakes bondholders will be influenced by three considerations in arriving at a decision.

The first consideration is the attractiveness of the offers made to the receiver, National Trust Co.

Secondly the desirability of passing control to a publishing group in the event of an acceptable bid being received. This might be construed as contrary to the interests of the industry as a whole.

The third consideration is that with the newsprint tonnage problem being ironed out more or less satisfactorily and with prospects of a price increase next year, it might be more advantageous for the bondholders to carry on with the hope of the company working out its own problems, or at least improving its position to such an extent that a better price may be secured later on.



Common stock prices resumed the advance in the week ended Sept. 12. Dominion Bureau indices, depicted above, appear on page 5.

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Canada's Railway Drift to Socialism

Women Elected Alberta Government

Look 'Em Over; Take Your Choice

IN THIS issue, The Financial Post presents a summary of the platforms of the four principal political parties in Canada.

The summary has been prepared without bias, without prejudice and as fairly as possible.

Part of every man's education in citizenship should be an understanding of what each of his political leaders stands for. And the first step in determining this is taking them at their word.

The average business man will feel that there is a failing common to all the leaders; an underestimate of the importance of sound finance, of positive measures to balance the national budget.

But the party platforms, as presented in manifestoes and addresses, are here presented and the intelligent reader will find The Post's summaries not without value in weighing the worth of the different parties at this particular juncture.

There may be some smaller political groups who will claim to have been ignored: the Communists or the Social Credit groups, for example. But such parties could hardly be included. Communist candidates admittedly run only for their nuisance value. The Social Credit party is hardly yet organized for Dominion politics although it may enjoy some success in this election.

• • •

Promises That Are Promises

PREMIER WILLIAM ABERHART achieved great publicity on his trip to the East. These things he said that were so novel as to be startling coming from the lips of a political leader:

He would balance the province's budget and keep it in balance.

He would meet every provincial obligation without confiscation or repudiation.

He would make a complete survey of the province's business before even attempting his Social Credit plan.

He would take one step at a time and if that step proved to be a false one he would retrace it before proceeding further.

More than this no man can fairly ask of any governmental chieftain—except it be the carrying out of the promises.

• • •

MR. ABERHART will find it difficult, however, to abide by these assurances. His political workers have not promised the people a careful, practical survey. They have promised the people their $25 a month and the people will now want to collect.

And Canadian political history reveals that it is the first false steps, not always recognized as such when they are taken, that lead on to larger calamities.

If Mr. Aberhart makes a mistake, if he starts his plan working before it has been proved that it can work, then the results may be disastrous.

Mr. Aberhart has been candid in asking for co-operation and advice. All good Canadians must now give him both to the best of their ability and in the friendliest possible spirit. For it is just as necessary to avoid a collapse in Alberta, from the adoption of Social Credit, as it is to adopt Social Credit in Alberta if it turns out to be a more practical thing than Mr. Aberhart has yet been able to make it appear to be.

• • •

Drifting Toward State Rail Monopoly

HAVING established an Economic Council—or rather having provided for it since the members have not yet been appointed—Mr. Bennett is hardly to be criticized if he undertakes to ask that council to advise upon the solution of the railway problems.

Mr. Bennett wants transportation to be viewed as a whole and the problem of the railways to be studied in its relation to air and road services and railway modernization. This is sound.

He wants the problem to be reviewed by someone other than the politicians. This, too, is sound but whether or not it will get us anywhere to turn the problem over to the economic council depends very largely upon who comprises this

(Continued on page 2, col. 3)

Threat to Argentine Crop Skyrockets Wheat Prices

Dramatic Market Change Puts Winnipeg in Healthy Position — Buying Exceeds Available Supply

WINNIPEG.—Liverpool and Buenos Aires became genuinely excited this week. Possibility of a wheat crop failure in the Argentine due to drought shot prices up sharply. Corresponding advances took place in Winnipeg, prices moving upward the full allowable limit. Dollar wheat becomes a firm possibility.

Winnipeg on Parity

The change puts Winnipeg prices in a healthy relation with other markets. Liverpool October option, long considerably below Winnipeg advanced well above Canadian market, although May still lagged behind. The difference reflects the scarcity of immediate supplies of wheat for British and continental markets. Supplies on passage had been allowed to run down to low levels, while the outcome of the Argentine situation was awaited. Canadian No. 2 wheat is being offered in Liverpool at only four cents above Argentine, duty paid, while No. 3 northern wheat and lower grades, and the Garnet grades, are underselling Argentine wheat.

Rush of Buying

These conditions brought a rush of buying into the Winnipeg market. This was in excess of available supplies, which were reduced by slow threshing and by the fact that the crops of the early threshed districts were small. Delayed selling on the part of farmers waiting for wheat board developments, and by the reluctance of the Government agency to offer old crop wheat for sale were additional factors. Although actual wheat shipments from Canada showed a disappointingly small total last week, with none of the hoped for improvement, the insistence of some of the buying this week suggests that decidedly larger exports may be expected.

A few export sales of oats, and further enquiries suggest that purchases are being made to fill possible military requirements.

SCHEME WAYS TO GET AROUND DISCOUNT LAW

Sale of Services and Net Price Contract Proposed

MANY COMPLICATIONS

Means of getting around the new federal discount law are being devised. This regulation makes it a criminal offense for manufacturers or processors to give one buyer special discounts, rebates or allowances which are not available to others purchasing a like quantity of the same quality goods, at the same time.

One method which has been proposed is the purchase of services. These might be window displays, prominent shelf displays, special counter space, advertising space and so on. Manufacturers contend that the law does not prevent them from paying what they consider is a fair amount for any service they feel disposed to buy.

Valuation of Services

Manufacturer and distributor will naturally have to negotiate as to the value of the services offered. One distributor may demand more for a certain service than another in view of the fact that it may attract a greater number of shoppers. Some window displays may also be considered more valuable than others; and the same may be said to some extent of newspaper advertising. So that if this policy is adopted, certain distributors buying the same quantity and quality of goods at the same time will not necessarily be charged the same amount.

Certain other large firms are demanding a net price from manufacturers. They are not asking for special treatment of any kind, but simply the best net quotation the manufacturer can give. They contend that there is nothing in the new law to prevent a manufacturer from giving one firm a better net price than another; it is only when there is a discount, rebate or allowance given that they must be uniform.

Food Industry

Manufacturers in one branch of the food industry have joined forces with a view to regulation of discounts and, as far as possible, of prices. For this purpose they have classified the firms according to size. These classifications range all the way from large, nationally known concerns to the small local operator. The idea is to allow smaller firms more leeway in the matter of prices and discounts. It is argued that if distributors can buy well known brands on the same terms as those with which the public is not familiar, the small manufacturer may be forced right out of business.

When this particular industry has its programme complete, it intends to submit it to the Government for approval under the new Trade and Industry Commission Act.

Manufacturers Confused

Manufacturers generally admit that the discount law has them baffled. In the first place they are not certain of the constitutionality of the act. And then there are so many terms employed in the act which are open to varying interpretations.

August Trade Soars Upward

Canadian trade in August reached the highest total since May, 1931, $21.9 millions over that in the same month last year. The advance in exports was especially great, representing an increase of 28 per cent over last August, and of 58 per cent over two years ago.

		— Change —	
		From Prev. Period	From Prev. Year
Monthly:	August	%	%
Trade	$ 121,260,000	+16	+22
Newsprint .... tons	235,573	+1	+9
	July		
Boots & shoes, pr.	1,728,192	—2	+30
Weekly:			
Car loadings	44,673	—6	—6
Cattle sales	24,053	+27	+36
Hog sales	11,932	+7	—11

CONFEDERATION IS REINSURING CAPITAL LIFE

Ottawa Concern Absorbed by Leading Canadian Life Company

10-YEAR AGREEMENT

Climaxing four months of negotiation, Confederation Life Association has reinsured all policies of the Capital Life Assurance Co. of Ottawa.

The agreement is effective Sept. 12 subject to routine government approval and official endorsation by Capital Life shareholders.

By the agreement, policyholders of the Capital greatly improve their position as regards security and dividend prospects, while shareholders have a 10-year period in which to realize the $256,000 they have invested in the company since it was formed in 1911.

All Obligations Assumed

Confederation Life assumes all assets and liabilities of the company and reinsures all policyholders. This will add about $1,800,000 of assets to a company which this year topped the $100 millions mark; will swell business in force by $11.5 millions, bringing, the Confederation total to near the $400 millions mark. It is the fourth company to be taken over by Confederation since 1929 when it absorbed the old Security Life of Toronto.

Personalities involved are on the one hand, C. S. MacDonald, president of Confederation Life and V. R. Smith, general manager and actuary. Managing director, vice-president and chief shareholder of Capital Life and guiding officer since its inception 24 years ago is A. E. Corrigan, of Ottawa. John J. Lyons of the same city is president.

Heavy Liabilities

For the past year and a half it has been common knowledge in insurance circles that Capital Life would either have to make a call on shareholders or else seek support with another company. Latest statement of G. D. Finlayson, federal insurance superintendent (under which both companies are registered) shows the paid-up capital stock of the Capital to have been wiped out, with an additional excess of liabilities over assets of $107,000. Potential protection for policyholders was, of course, the subscribed but unpaid capital stock amounting to $673,000.

Policyholders' Position

The new agreement means that policyholders of Capital will receive a "certificate of agreement" from the Confederation showing the latter company to have assumed complete responsibility for the liability involved in each policy. Out of $11.5 millions of business in force, $8 millions is in participating insurance and the remainder in non-par.

Participating policyholders (who have received no dividends since 1932) will be guaranteed between

(Continued on page 2 col. 5)

Can. General Electric Pref. Drops Toward Call Price

Canadian General Electric 7 per cent preferred of $50 par value has dropped from a high of 64 to a low of 59 in 1935 and is currently at 59½. Investors every now and then become fearful that the directors will call the stock at $57.50 and this is one of those occasions. The same flurry was noted eight months ago.

The Financial Post is informed by the company that no action to this end has been taken by the directors. The board has discussed the matter from time to time, it is understood, but the directors set great value on the fact that the preferred shares are widely distributed in Canada. That value is regarded as all the more real because the common stock is nearly all owned by General Electric Co. in the United States.

But for the call price of $57.50 this stock would go much higher. Even with the possibility of it being called at 57½ the stock went to $67 a share in 1934.

Issued in 1924 dividends have always been paid and earned The requirement of $3.50 a share has been covered more than seven times in a pre-depression year and substantially in the worst year.

Investors, however, simply cannot get over the fear that the stock will be called. The company gets less than half a million dollars on its $11.4 millions of Government bonds. It could redeem the $8.6 millions of preferred stock for $9.9 millions and save yearly dividends of $599,043. That would be a yearly net saving of more than $150,000. It would still have about $1.6 millions in Government bonds and the yearly interest on this.

FLOUR MILLERS PROFITS VANISH IN PAST YEAR

Exports Handicapped, Domestic Strife Intense

FACE NEW POSITION

Maple Leaf, West. Canada, Int. Milling, Ogilvie, Lake of Woods, St. Lawrence Reviewed

The flour-milling year, which closed for most major companies on Aug. 31, was one of the poorest on record.

Reduced profits and some actual losses after all charges will be shown in annual reports which will appear in the near future. There may be one or two exceptions to this deterioration of earnings, but in no case will a company report major improvement of earnings.

For 1935-36 a new set of circumstances prevails which makes millers more hopeful. Last year's problem of imports of British flour for example has been corrected by good crops of soft winter wheat in Eastern Canada. Another major change is that the spread between Liverpool and Canadian wheat prices has narrowed.

Wheat Spread Hurt

As in 1933-34, the major factor working against satisfactory profits for Canadian milling companies was the spread between Winnipeg wheat prices and world prices. The relatively exalted Winnipeg price made grain more costly to millers than was warranted by export flour prices. The effect was to continue to cramp exports.

A consequence was stiff price competition for exports. Also, the once-profitable domestic market became a field for intensive price competition due to the difficulty of obtaining outlets for Canadian flour abroad.

The view of millers is not that higher wheat prices would hurt their business. They would, in fact, welcome higher wheat prices, provided that Canadian prices are not on a higher relative plane than prices in Britain. This would give Canadian millers grain of a cost comparable with costs of grain to British millers. The result would be to enable Canadian firms to regain at least part of their former export flour trade.

Circumstances Change

There is a tinge of optimism in the views of Canadian millers on the prospects for improvement in the trade in 1935-36. The new circumstance of the Ottawa grain board will have an important bearing on the milling trade. If, as is hoped, Canadian wheat prices are kept in line with export levels, this new circumstance will be favorable to milling companies.

Volume and Prices

Both volume of wheat flour exports and production were lower in the year ended July 31, 1935, than in the preceding year. This does not

(Continued on page 17)

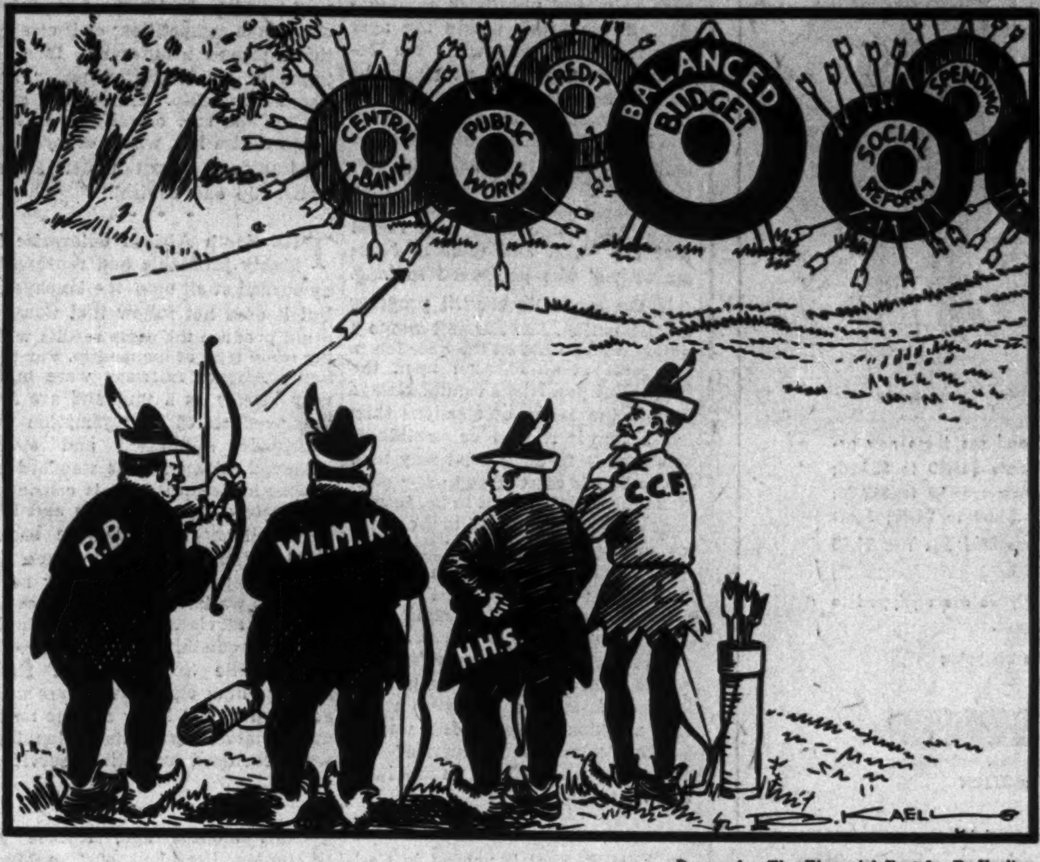
B. C. GOVERNMENT INSURANCE PLAN MEETS OPPOSITION

From Our Own Correspondent

VANCOUVER. — Representatives of Consolidated Mining & Smelting Co. and West Kootenay Light & Power Co., lumbermen and other manufacturers, have recorded their opposition to the proposed health insurance scheme of the British Columbia Government. They believe that the programme will place an unjustifiable burden on industry and the general taxpayer and that several individual corporations are already giving similar protection on more advantageous terms.

S. G. Blaylock, vice-president and general manager of Smelters, has been assured by Hon. G. M. Weir, minister of health and chief sponsor of the legislation, that if his company's plan is superior to the province's, Smelters employees need not come under the government scheme. Mr. Blaylock believes that each industry should carry its own health protection responsibility.

The proposed B. C. health scheme would cost $6,327,500, but industrial leaders believe that this is too conservative an estimate.



—Drawn for The Financial Post by R. Kaell.

WON'T SOMEONE TRY A STRAIGHT SHOT AT THE BIG TARGET?

Tumbling Bond Prices Hit Refunding Plans For Government Loans

Conversion Boomerang to $114,393,000 of Financing

SCARES INVESTORS

Proposal to Cut Interest Rates on Outstanding Bonds Might Cost More Than Worth

Plunging precipitately, highest grade Canadian government bonds in the past three weeks have suffered the sharpest slump of prices since September, 1931, when Great Britain suspended gold payments.

The dive of bond prices is depicted in an animated chart of The Financial Post's daily average on page 14. Averages appear on page 5 and the broad slump of individual issues is shown in the comparative quotations on page 16.

With the federal election on Oct. 14, and $114,393,000 of Dominion bonds maturing Oct. 15, the slump in bond prices has added to the complications of selling the usual October loan to Canadian investors. The effect of the decline of bonds is to make financing more expensive. It is probable that short-term borrowing will be the device used to tide over the Oct. 15 maturities until financial markets become more settled.

Decline Outlined

Up to the end of July, in sympathy with British and U. S. trends, there had been a moderate tendency for government bonds to relinquish part of their advances of 1934. In August, before and after Alberta's Social Credit election, a pronounced decline occurred. This was arrested. Then on Sept. 9 Premier R. B. Bennett made his proposal of a national debt conversion at lower interest rates. Bonds have been seeking a new bottom ever since.

The sudden downward movement of government bonds has resulted in interest rates on middle term Dominion issues rising from about three per cent to over four per cent.

Other results:

Shrinkage in market value of the $7 billions of federal, provincial and municipal bonds is estimated at $200 to $300 millions.

British, American and Canadian investors have been selling Canadian bonds at shrunken prices.

Important institutions and private investors in Canada, Britain and the United States have adopted the policy of not buying Canadian governmental securities.

Effect on Investments

Effect of the sharp rise of interest rates on government securities is to undo a large part of the work of the past two or three years which aimed at gradual reduction of interest rates throughout the Canadian debt structure. The higher the rate goes on government securities, the less attractive become rates on secondary securities. Establishment of low rates on gilt-edged bonds turned funds into secondary bonds and into stocks. The rise of rates on gilt-edged securities may reverse matters.

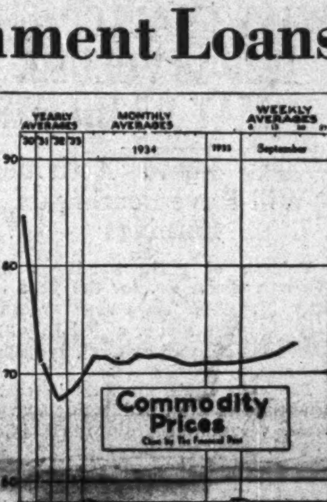
Spread of lower interest rates in Canada has been effective in allowing refinancing of existing debt at reduced cost. Corporations have been able to sell four per cent bonds and five per cent preferred shares to replace six and seven per cent securities. Governments have been able to refund maturing securities at greatly reduced rates.

Dealer's Opinion

One leading investment dealer expressed the opinion to The Financial Post:

"Canada has made a great deal of progress in the reduction of interest rates already, and with careful study and intelligent handling still greater results could be quickly achieved without sacrificing the credit and integrity of the country. If these are sacrificed our

(Continued on page 14)



Wholesale commodity prices advanced to 72.2 in the week ended Sept. 13, from 71.5 in the preceding week, according to the index compiled by the Dominion Bureau of Statistics.

SAY BENNETT BOND SCHEME NOT COERCIVE

But Market Collapse Upsets $150,000,000 Loan Plans

GOT NO ADVICE

From Our Own Correspondent

OTTAWA.—Collapse of the bond market following Premier R. B. Bennett's radio address last Saturday night is being watched by Ottawa officials with unconcealed disappointment not untouched by keen anxiety.

The bond market has collapsed because Mr. Bennett's vigorous advocacy of reduced debt and interest burdens has been generally interpreted as meaning a compulsory conversion of the funded debt of Canada—should the Bennett party be returned to office. It is declared positively at Ottawa, however, that Mr. Bennett's words do not bear such an interpretation and that under no circumstances would the government party contemplate a compulsory conversion. This, it is felt, would be repudiation.

It is learned, officially, that Mr. Bennett made this reference to debt charges without consulting either his colleagues or his financial experts. They were just as surprised at his language as were the bondholders.

Upsets Loan Plans

The effect of the speech on the negotiations now proceeding with regard to the October loan has been disastrous. If Mr. Bennett can be persuaded to clarify his stand publicly and pledge himself against forced conversion, all will be well. But this is not probable.

At one fell swoop much of the progress in lower interest charges achieved by the careful policies of the finance department in the past three years has been wiped out. Anxiety is felt since the Dominion must meet maturities of $114,393,000 on Oct. 15 and actually requires a somewhat larger sum, possibly $150,000,000. This money may now cost the taxpayers not three per cent but four per cent.

Toronto General Trusts Cuts Dividend to 4 p.c.

Announcement by Toronto General Trusts Corp. of a cut in its dividend rate from six to four per cent, effective with the payment on Oct. 1 to shareholders of record Sept. 21, marks the fourth reduction in the last four years.

Highlights

Election Platforms

The four major political party platforms are condensed and presented in comparative manner. Also highlights in lives of Messrs. Bennett, King, Woodsworth and Stevens, and party present standing. Page 11

$8,000,000 for Votes

Cost of Canada's coming election will be $8 millions. Each vote cast averages $1.60. How are these figures compiled? Page 10

The European Crisis

Great Britain forced Premier Laval's hand in Italo-Ethiopian dispute. The British attitude and France's relations with Italy bared. Page 6

What's Behind Copper?

Copper prices hit new high. Striking effect on several important Canadian mining stocks. What's all the excitement about? Page 19

Black Man's Gold

I. M. Marshall, Canadian mining engineer, returns to Canada from new Kenya gold fields in Africa. Canadian capital already interested. Page 18

Social Creditland

Exploration of darkest Aberhartia uncovers some of its wonders. Premier Aberhart of Alberta metamorphoses some of his views. Intimate revelations on his "social credit" scheme. Page 13

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GREAT LAKES NEW CONTROL BIG QUESTION

Decision of Bondholders Vital to Operators and Publishers

MAY CARRY ON

Could Secure Better Offer if Present Prospects Materialize — Many Are Interested

From Our Own Correspondent

MONTREAL. — Two situations loom up importantly in newsprint affairs this week. Over in London representatives of the Canadian manufacturers are discussing markets particularly those in South America and the Orient, with the European newsprint producers. In Toronto a group of Great Lakes Paper Co. bondholders met to consider bids made on the property put up for auction by the trustee on September 10 last.

Seven Possible Bidders

Four bids have been made on the Great Lakes property, which is capable of turning over 300 tons of newsprint paper daily. At the time of going to press no official word was available as to the identity of the bidders, but those intimately in touch with the situation list seven possible bidders. They follow:

Hearst group.
Knox syndicate.
Sweezey group.
International Paper.
Dominion Bank.
John Stadler and;
G. H. Mead.

Reasons For Interest

The Hearst newspapers in the United States collectively form one of the largest newsprint buying groups in the world. The buying organization for Hearst would like control of a Canadian property in order to strengthen its bargaining or marketing power. The Hearst organization already has been interested in the Ste. Anne's mill.

The Knox syndicate comprises the Chicago News and other newspapers in the mid-West field centring around Chicago. This group are reported to have become interested in the Great Lakes property some time ago.

R. O. Sweezey and associates have long been interested in the financial rehabilitation of the Canadian newsprint industry. They took an active interest in the early, but unsuccessful plans, for the reorganization of Price Bros. and Co., and are also reported to be interested in Abitibi.

Others in the Running

International Paper would not be adverse to picking up a mid-west mill to round out its productive facilities.

The Dominion Bank ranks as one of the principal creditors and has a substantial interest in any plan of reorganization for the company.

John Stadler has at one time or another been associated with a number of important Canadian newsprint companies. Of late years he has been acting as a consultant and was instrumental in interesting Bowaters Paper Mills in Price Bros.

G. H. Mead headed a company which contracted for about 85 per cent of Abitibi's output and sold it to American consumers. Ownership of the Mead sales company was bought by the Abitibi receiver. Mead first became prominently identified with the Canadian newsprint industry through the old Spanish River company.

Of the seven possible bidders it is more than likely that the offers made for the property came from Hearst, Knox and the Sweezey syndicates and from a group associated with the Dominion Bank.

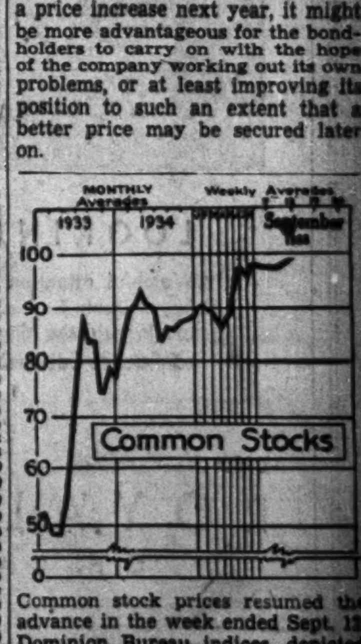
Three Factors to Consider

Great Lakes bondholders will be influenced by three considerations in arriving at a decision.

The first consideration is the attractiveness of the offers made to the receiver, National Trust Co.

Secondly the desirability of passing control to a publishing group in the event of an acceptable bid being received. This might be construed as contrary to the interests of the industry as a whole.

The third consideration is that with the newsprint tonnage problem being ironed out more or less satisfactorily and with prospects of a price increase next year, it might be more advantageous for the bondholders to carry on with the hope of the company working out its own problems, or at least improving its position to such an extent that a better price may be secured later on.



Common stock prices resumed the advance in the week ended Sept. 12. Dominion Bureau indices, depicted above, appear on page 5.

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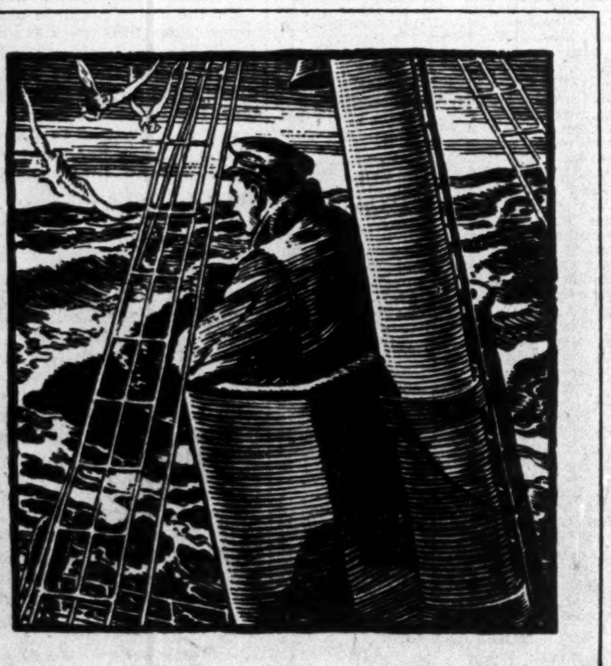
A NATIONAL SERVICE—A CANADIAN COMPANY



LOOKING AHEAD

Watchful attention insures safety. The Royal Bank has always kept in close touch with the times. It regards with confidence Canada's continued progress.

THE ROYAL BANK OF CANADA

The Nation's Business

(Continued from page 1)

council and how much other work they have to do.

* * *

MR. BENNETT wants calm and unhurried examination of the problem such as is not possible in times of stress. This, too, is all right but it is very doubtful if the railway problem will wait upon such calm and unhurried examination. There must, within the near future, come a time when the Dominion Treasury will no longer be able to bear the serious deficits of the Canadian National Railways and if these deficits, along with other losses the treasury is suffering, precipitate a financial crisis, then emergency action will have to be taken and the country will regret that the "calm and unhurried examination" was postponed so long.

If the economic council proposes amalgamation, Mr. Bennett wants a national plebiscite on the question in the form of an election upon the issue. But politicians cannot always dictate the terms of elections they hold. Nor is it wise or feasible at this time to forecast what may turn out to be the chief issue in any election that will be fought in the future. A government that went to the country asking for approval of its policy on a certain problem, such as railways, might be defeated or reelected as a result of circumstances entirely unrelated to the proposed chief issue. There is no plebisicte or referendum in such an election vote. And does anyone honestly argue that a national election is a way in which "calm and unhurried" analysis of public opinion on any issue can be taken.

* * *

RATHER what is needed in Canada is a government that has the courage to take its political life in its hands to solve this railway problem and our other great national problem of our unbalanced budgets by submitting a policy to parliament and standing or falling upon it.

One may hazard a guess as to what would come out of such a study of the railway problem by the economic council. The economic council is headed by the Prime Minister, which means that it is not in reality an independent investigating body but simply an arm of government. And it is hard to find any outstanding political leaders in Canada who can think of a solution of the railway problem in terms of anything other than competition; or if competition proves insufferable, then in terms of amalgamation under national ownership. This would give Canada the sort of railway service South Africa has, where every form of transport comes under single ownership and control.

* * *

THE South African enterprise is highly profitable and represents no burden at all upon the taxpayers. But it does not follow that Canada could produce the same results with the same type of ownership. For the South African railways were built very largely as a unit and are not the product of amalgamation of hopelessly duplicated and over-extended railways. The standard of service in South Africa is considerably below that in Canada and the state railway there can be backward because the people have no large and progressive country next door—as we have—setting a pace in railway service, stimulating their taste for something just as good—or better. The South African state railways have other advantages such as cheap native labor for the more menial tasks, low capitalization, less well-developed competitive services, etc.

* * *

SOME months ago, Horace T. Hunter, President of The MacLean Publishing Company, in an article from South Africa, told about the development of the state railway system there. If Mr. Bennett's address is to be interpreted as the first vague pointer of the direction that railway politics are to take in Canada in the near future a reading of that article would prove informative. For it suggests the pattern of the great state monopoly of railway operations that we are drifting toward. Such a monopoly will inevitably be reached if our course is not diverted by some very early and more business-like solution of a problem that every statesman is afraid to take hold of, whether that statesman is Mr. Bennett, Mr. King, Mr. Woodsworth, Mr. Stevens or the leader of any one of the other smaller political groups in Canada.

* * *

Women's Votes and Aberhart

THOSE who confidently predicted the defeat of Mr. Aberhart and his Social Crediteers in the Alberta election have been busy analyzing their forecasts to see where they went wrong. And almost universally they have learned that they overlooked two big factors: the influence of the vote of young men with no party connection, casting their ballots for the first time, and the influence of the women's votes.

Many Social Credit electoral workers visited every home in their constituency, ignored the men folk almost entirely and walked into the kitchen to promise the woman of the house her $25 a month.

A man might ask where the $25 a month was coming from; any informed intelligent woman would. But unfortunately our schools and churches have not yet learned to train women for their new responsibilities of citizenship and the Social Credit promises may be regarded as a 100 per cent appeal to the woman who has not had a new hat or a new dress in three years.

The young men, who were ready for a new deal anyway, helped to win the election in Alberta. But the victory was clinched by the women.

There are some candidates in the Dominion election who know the significance of the women's vote—but not many.

WEST. GRAIN CO. 1935-36 VOLUME MAY BE HIGHER

Wheat Board Activities Will Have Bearing on Earnings

Volume of grain handlings by Western Grain Co. for the year to July 31, 1936, "somewhat exceeding" that of the year ended July 31, 1935, is anticipated by C. G. Spencer, president.

The company's elevators in eastern Saskatchewan will handle a very small volume of grain in 1935-36, due to severe rust damage in the area, says Mr. Spencer in the annual report. "On the other hand," he says, "a fair volume is anticipated in south-central Saskatchewan where last year there was a complete failure due to drought.

Year's Results

Results for 1934-35 showed a decline from the preceding year, as reported on page 19. Provided the company continues to earn bond interest and part of depreciation, working capital will benefit. By agreement of bondholders early this year, the company has been relieved of sinking fund installments for 1904, 1935, 1936 and the balance owing for 1933.

Wheat Board Influence

The company will act as agent for the new government wheat board in handling and storing wheat sold by its farmer customers to the board, Mr. Spencer explains. An agreement will be made providing for fixed charges for various services rendered in such handlings.

The effect of the board's operations on the company's earnings, he says, can only be determined after actual experience. A major factor in earnings will be the nature of the rate agreements arranged with the board, but Mr. Spencer refrains from comment on this point.

Inventories Down

Inventories of grain at July 31 are shown at $2,961,372, compared with some $4.3 millions in 1934. While loans against inventory also declined, it is noteworthy that when wheat movements are small a large storage helps the company's revenue. Hence, increased handlings in the current year will be necessary to compensate for any loss of revenue due to reduced storage in the company's elevators.

Third Air Link is Forged Between Canada and U. S.

From Our Own Correspondent

VANCOUVER. — Completing another aerial link between Canada and United States transportation lines, the Canadian Government is understood to have awarded a contract to Canadian Airways, Ltd., for the transporting of mail between Vancouver and Seattle, Wash.

The service will commence to function October 1, according to present plans.

U. S. Contender

United Air Lines, the huge Boeing organization in the United States, is said to have been one of the chief contenders for this contract. United Air Lines has been operating a regular passenger service between Vancouver and Seattle during the last year and it is reported that this was operated largely in anticipation of an air mail contract later. Whether United Air Lines will remain in the field when the competing Canadian organization carries the mails with a post office subsidy remains to be seen.

Under present conditions air mail routed from Vancouver through Seattle is subject to from nine to sixteen hours delay because it must be transported from here to Seattle by train or steamer. This loss of time will be severely curtailed by the direct air service, which will be the third Canada-U. S. air mail service in operation, others being from Montreal to New York and from Chicago to Winnipeg, both maintained by American companies.

Monarch Life Manager

GORDON C. CUMMING

Who has been appointed general manager of the Monarch Life Assurance Company. He joins the company from the Great West Life with which he served as supervisor of field service, having charge of sales promotion and education. Mr. Cumming is the author of many articles on various phases of insurance including most phases of management. He was formerly superintendent of land settlement for the Dominion Government in Manitoba.

B. C. Advising Municipalities To Plan for Debt-Refunding

From Our Own Correspondent

VANCOUVER. — Municipal governments of British Columbia are being advised by the provincial authorities to make immediate plans for refunding their debts.

Addressing the Union of B. C. Municipalities at its annual convention, Hon. A. Wells Gray, minister of municipalities, who aroused severe criticism last year by advocating scaling down of interest rates, advised the municipalities to start refunding before obtaining relief from social service charges.

If this were not done, he said, bondholders would say that the municipalities, relieved of their social service charges, could afford to pay more interest.

Return of Benefits

Although municipal leaders are pledged to fight for relief from social service charges and return of such benefits as pari-mutuel profits and liquor revenue which the province took away some years ago, the convention merely passed resolutions on the subject. Even before Premier Pattullo issued a special statement timed to coincide with their deliberations, convention leaders knew that the province had no intention of providing relief for the municipalities until such time as there had been a re-shuffling of tax issues between the federal and provincial governments.

Hopes Brighter

Mr. Pattullo said the province could not afford any concessions now, but he had hopes of a better deal after the inter-provincial conference.

Mayor David Leeming, active in municipal affairs for many years, was elected president of the union, succeeding Mayor T. A. Love, of Grand Forks.

Dangers of Planning

Referring to the operation of marketing boards being set up throughout the world at the present time, "Planning," an English publication dealing with political and economic planning, points out two dangers in the development of such schemes.

"The bold and comprehensive solutions arriving from theory may be nullified by piecemeal adaptation to traditional practice. On the other hand, the logical but flexible and organic arrangements unconsciously shaped through practice may be supplemented by top heavy and rigid structures depending upon their justification on theory.

CONFEDERATION IS REINSURING CAPITAL LIFE

(Continued from page 1)

1937 and 1945, dividend allotments not less than 50 per cent of those being paid to policyholders in Confederation Life. This allotment on the basis of existing Confederation schedules would be actually higher than the dividends received by Capital Life policyholders prior to 1932.

After Dec. 31, 1945 (or prior to that date if the interest of shareholders ceases and if assets of Capital Life exceed liabilities) participating policyholders will be placed on the same basis as those of Confederation Life. Books and accounts of Capital Life will be kept separate until 1945 or until assets meet liabilities. Policyholders of the company are scattered through Ontario, Quebec and Maritime provinces.

No Call on Shareholders

Shareholders of the company, of which there are between 500 and 600 scattered throughout eastern and central Canada, will be called on to surrender their shares and will receive a certificate outlining terms of the agreement. They will obtain an assurance that there will be no calls made on the shares and that as profits and asset realizations warrant (subject first to dividend payments to participating policyholders as outlined above) they will have returned to them the amount of paid up capital they have invested in the company. The paid up capital is $137,060.

This plan terminates definitely at the end of December, 1945, but in the meantime, if further monies over and above that required for policyholders and payments on capital stock are available, they may also receive reimbursement equivalent to the sums that have been paid in by shareholders on account of the premium on capital stock. Premium on capital stock is $119,635.

Chief Shareholders

Chief shareholder of the company is A. E. Corrigan, who at the end of 1933 was reported as having 880 shares of stock on which 20 per cent had been paid up, plus other shares held in trust on which a smaller amount had been paid. John J. Lyons, of Ottawa, held at that time 480 shares of 20 per cent paid stock. Financial stake of each, in the company, is approximately the same at about $10,000.

Other large shareholders who had paid 20 per cent on their shares are: J. P. Redmond, of Ottawa, 200 shares; D. J. O'Brien, of Ottawa, 178 shares; W. H. McAuliffe, of Ottawa, 110 shares; estate of E. Brophy, Ottawa, 100 shares; A. F. Bentley, of Montreal, 120 shares. There has been no market for these shares in recent years.

Capital Life investments comprise about $1.5 millions in bonds and debentures $429,000 in policy loans; $196,000 in mortgages and $64,000 in stocks. Substantial amount of newsprint and utility bonds are held.

STANDARD OIL OF CALIFORNIA ENTERS WEST

British Columbia Subsidiary Makes Stab For Share in Market

TARIFF THREATS

Oil Stocks Steady as Investors Judge if Lower Duties Would Lessen Profits

Standard Oil Co. of British Columbia, understood to be a subsidiary of Standard Oil Co. of California, plans to erect large storage plants at Edmonton and Saskatoon. The company has made no official statement but a representative is reported to have been conferring with city officials in these cities.

In December the company will finish a refinery to cost nearly $500,000 at Burnaby, near Vancouver. It has an acreage there of 55 acres and is building a new wharf to accommodate ocean-going tank ships. While the refinery is being built, the company has been importing gasoline to supply service stations bought and erected. For the refinery, it will import, it states, "selected premium quality, light California crudes of high antiknock rating."

Standards Fight

Recently pressure of supplies from California fields, on the Pacific Coast market, resulted in price cuts on the United States side of the line. This was followed last week by a cut of 2½ cents a gallon by all companies in Vancouver. The news apparently shows Standard Oil Co. of California determined to get as firm a foothold as possible on the Coast and the Prairies.

Imperial Oil has two Western refineries, one at Ioco, B.C., and another at Calgary, Alta. British American Oil also has a refinery at Coutts, Alta. Source of crude in Alberta, so far, has been Turner Valley and Montana fields.

Standard Oil Co. of New Jersey has a large interest in Imperial Oil. Two Standard Oil companies in the United States have been fighting for the right to use the Esso brand everywhere. Imperial Oil has established priority in Canada. It is not known yet what brands will be used by Standard Oil Co. of British Columbia. It may use its own brands or adopt those used in California.

Effect of Lower Duties

The situation both East and West may be complicated for the companies already established in Canada if Liberals make good their threat (or promise) used on the hustings of the West to reduce the tariff. Canadian companies claim that Canadian gasoline and fuel oil prices are moderate and would be right in line with a sound price structure in the United States. Price wars in the United States, it is claimed, have made prices uneconomic. Canadian prices would be higher even if there were free trade, it is said, because of the extra freight charges and the added expenses of distribution in sparsely populated districts.

The stock market has so far taken little notice of the threats to reduce the tariff. Imperial Oil is at 19 as compared with a high this year of 22¼ and a low of 15. International Petroleum is quoted at 36 whereas the high was 39½ and the low 28½. British American Oil is at 15⅞ whereas the high was above 16.

Fears for Employment

Apparently investors believe that, whatever may be done with the tariff, these companies will be able to adjust themselves so as to maintain profits. Both Imperial Oil and British American Oil are in a position to import from the United States and compete with other importers if pressure of distress gasoline at any time becomes severe. This would be bad for employment in the refining end of the industry and the companies would be getting profits as merchants rather than as manufacturers.

Imperial Oil earnings are further protected by the fact that the major part of the dividends it has been paying comes from earnings outside Canada. The greatest contribution is from International Petroleum which now sells its South American crude oil not only to Imperial Oil in Canada but to England and Europe.

British American Oil is also building up an increasing business in the production of crude and its transportation in the United States.

Obituary

Cecil Grandin Mair, for the last eight years in the insurance business at Windsor with the R. A. Reynolds and Son Company, died recently at the age of 56. In earlier years he had followed a banking career.

Alfred Ernest Raper, prominent insurance broker and head of the firm of Raper, Stafford, Ltd., of Montreal, died in his 59th year. He was born in Portsmouth, Eng.

Arthur L. Nunns, London, Eng., manager of the National Trust Co., died in London recently. He was formerly manager of the Imperial Bank at Calgary.

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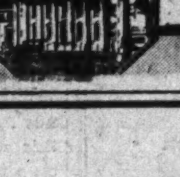

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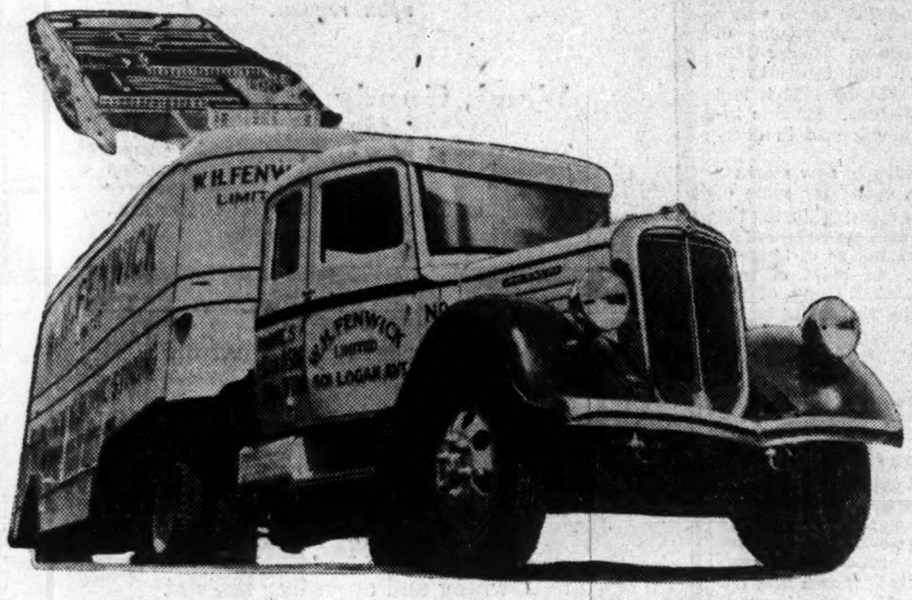
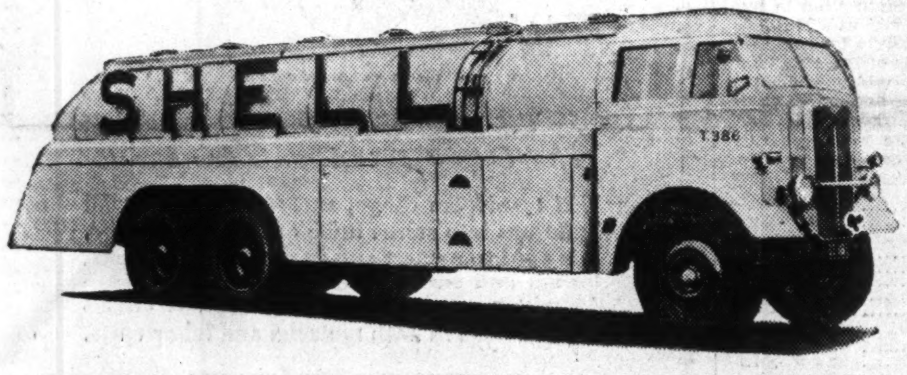
It Pays to Modernize

Truck and Commercial Vehicle Sales at Five-year High as Obsolesence puts startling new values into Transportation Dollars. — Reasons why 140,000 Canadian Units are now Ready for Replacement —A Glimpse at Trucking's New Vistas.



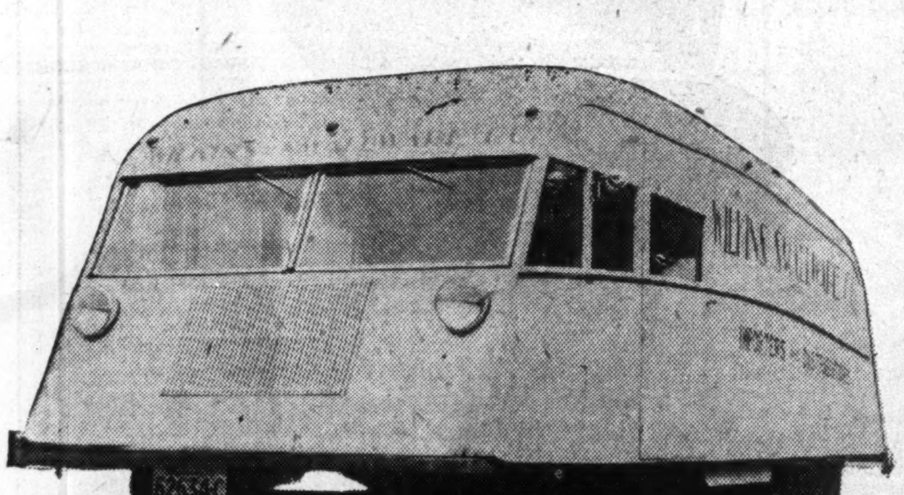
Royal Road Hundreds of millions of dollars worth of business is transacted annually over Canadian highways and the total soars rapidly as faster, cheaper, more efficient trucks and buses appear in endless chain over the royal roads of commerce.

Plus Service Whether you deal in furniture, pigs, flowers, plumbing, telephones, newspapers or what not, there is a truck to suit your needs and requirements. Developments of the past few years have opened up scores of dollar-making and dollar-saving uses for this rubber-tired servant.



Light as Feather Perhaps you doubt it—but actually this huge 3,000-gallon aluminum gasoline truck tank (largest in Canada) has had its "dead" weight cut by thousands of pounds through use of this new metal. Durability and strength are other important features.

Salesman Scores of far-sighted Canadian firms are cashing in on the advertising value of smart, up-to-the-minute delivery vans. This one attracts attention (and goodwill) everywhere it goes.



Custom Built More and more firms are having their trucks "made-to-order." The choice ranges from tailor-made bodies similar to the one shown above, to special paint jobs using the customer's own colors. Interiors can also be fitted at small cost to meet individual specifications.

CANADIANS have invested over $200,000,000 in trucks and commercial vehicles in the past ten years. In one year alone (1927) they spent as much as $30,000,000.

But by 1933 the investment in new equipment touched the lowest point since 1922 at something less than $6,000,000. These figures are for capital outlay only. They exclude the tens of millions spent for upkeep and operating expenses.

Last year truck sales started zooming upwards. The retail selling value of new equipment in Canada more than doubled. It topped the $12,000,000 mark—more than double the 1933 figure. And so far this year, sales are higher by another 50 per cent. It looks as if the year's total will be something like $18,000,000—the best year since 1930.

What does this mean?

Simply that business executives, institutions, public service bodies are finding that it pays cash dividends to modernize their trucking equipment. That whether their problem is a big "fleet" or just a single half-ton model for town delivery—it pays to modernize.

And truck popularity is founded on sound economics. A survey made among hundreds of firms, disclosed recently the following major reasons for truck preference over other forms of transportation. The roster follows: simpler classification of rates; cheaper packing; store-door pick-up and delivery; cheaper total cost; faster service; more flexible and convenient service; late acceptance of shipments; less damage to or loss of freight.

Not only do the proverbial butcher, baker and candlestick maker use its services but a present-day list of truck users parallels almost every type of industrial and public service on the continent. In Canada alone, truck carriers are said to have obtained in 1934, $20 millions of business formerly carried by rail as compared with a corresponding figure of $13 millions three years ago.

• • •

New Trucks Sell Merchandise

TAKE for instance the single factor of design. It is estimated that at least half the commercial vehicles on Canadian roads today have a definite advertising value. That is, they carry their owner's name or the name of his product whenever and wherever they appear.

Recognition of the big strides that have taken place in body design in recent years is leading to a demand for attractive streamlined jobs which command attention and build goodwill wherever they appear.

One firm of manufacturers reports for example that a large share of their business at the present time is for special paint and color jobs—each order made to the customer's specifications as far as color and design are concerned.

Increased comfort goes hand-in-hand with new designs and the old bone-shaker truck of a few years ago has been completely outmoded.

• • •

Royal Road of Rubber

MANY great industries have played a major part in the forward march of the truck progress. Notable for example is the tire industry. It is hard to believe that the high pressure air tire was first applied to truck use but twenty years ago; hard to realize that already more than one third of this business has now passed to another new tire type—the balloon. Each of these brought phenomenal, revolutionary changes in their wake. They increased speed and comfort, and cut initial and operating costs so greatly as to render literally hundreds of millions of dollars of equipment obsolete. Even more important they opened new uses and opportunities for truck sales in industries and fields not dreamed of previously.

Even today, the fourth great stage of tire development — the low-pressure tire — is making inroads into the trucking field, for light delivery and town work, and shows promise of permitting further economies and advances, while rubber itself, injected into scores of working parts, is playing a vital part in "cushioning" the royal road for trucking.

• • •

Page the Metallurgists!

OR TAKE the metal aluminum. Metallurgists tell us that thousands of vehicles operating in this country weigh from 1,000 to 5,000 pounds more than is necessary in the light of present-day knowledge of materials. Thus for many jobs aluminum alloys are now capable of providing all the strength required to meet the highest demands for safety, durability and strength. Already gasoline tank cars have turned almost completely to this new metal, while a broad field is opening in the realm of buses. By use of this metal a recent gasoline tank truck reduced the "dead" load from 5,200 to 3,650 pounds. The actual increase in "pay" load was from 800 to 1,200 gallons of gasoline. The movement is only just getting under way, but the savings in the next ten years are estimated as tremendous.

A more unobtrusive hero of the truck saga is nickel — except when it beams at us in chromium-plated radiators, headlamps, etc. No less than 28 kinds of nickel are in common use in the automotive industry today, and despite the wide growth of post-war uses, the automotive industry continues to be the world's largest single consumer of nickel.

Brass and copper play their part in, for example, the truck radiator, whose weight has been reduced steadily of late years with a corresponding increase in efficiency. Safety for both shipment and driver have also been taken care of by new developments in the field of laminated and "toughened" glass so that truckmakers can say today, "If we cannot prevent accidents we can at least control their consequences."

Why Trucks are Obsolete

BUT there are scores of very blunt reasons why motor truck equipment that is even a few years old has become obsolete. One expert is authority for the statement that at the beginning of this year no less than 140,000 units on Canadian roads were ready for replacement.

The primary reason is that they are too heavy. That is, the trucks and commercial vehicles on the road today, are carrying, on the average, too much weight for the amount of "payload."

Other reasons are that much of the equipment is insufficiently powered; lacks enough speed; is too costly to operate; has a poor weight and load distribution; has inadequate tire equipment; poor service facilities. In some cases there has been an excessive first cost which is a determining factor in obsolescence.

• • •

Lighter and Cheaper

MANUFACTURERS in the past few years have taken great strides to overcome these problems.

Take, for instance, units that are too heavy. Mention has already been made of new metals such as aluminum alloys. Amazing strides have been made also in finding new types of steel in motors and frames and to redesign frames to achieve "weight lightness." Today's trucks in, say the 1½ ton group, are about 500 pounds lighter than their contemporaries of a few years ago.

This has permitted the use of stronger, more high-powered motors. In the old days the peak motor was 60 horsepower in the majority of cases. This meant that in order to get sufficient power the motor had to be geared "down" with a heavy loss in road speed. Today's truck can challenge even the passenger car in fleetness.

Then there is cost of operation. Manufacturers explain the great economies now possible by saying that better cylinder heads, better manifolding, better carburetion permit more "power per square inch." To the layman the argument is best clinched by the bald fact that modern trucking equipment is at least one-third less costly to operate than similar equipment of a few years ago.

Truck dollars also buy more today than in a good many years. This is particularly true in units for heavier work where equipment which would have sold for over $3,000 in 1929 can be purchased today for under $2,000.

• • •

Spreading the Load

MOST of us have seen those smart, startling units with the driver sitting right up on top or alongside the engine. Coach lines in the United States were among the first users but the idea is now spreading to heavy duty trucks and to the light delivery bus or vehicle.

Truck makers didn't do this just for appearance sake. There's a real reason behind the move, namely: better weight distribution. At first this was achieved by longer wheel bases and by carrying the motor farther forward on the frame. Now, by building the cab right over the engine, an even better distribution is achieved which gives even greater efficiency for many types of operation

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Trucking's Fifth Wheel

AND just here should be mentioned one of the most outstanding single developments in recent years—a development which has without question rendered millions of dollars of truck equipment obsolete—the semi-trailer.

What is a semi-trailer?

Look closely at some of the trailer models pictured on this page and it will be seen there is a power unit (or tractor) in front, with a big thing that looks like a "trailer" on behind! Close scrutiny reveals that the trailer part has no front wheels of its own; is merely hitched on to the tractor with two little "jack-wheels" to guide it when it is unloaded.

Thus comes the name "semi-trailer" to distinguish it from a unit with its own four (or six) wheels, suitable to ride at the back of a semi-trailer or truck. Incidentally the very vital point of contact between truck and semi-trailer is termed by some makers the "fifth wheel" which upsets the time-worn saying about the "fifth wheel to a coach."

A trucking expert speaking recently in Winnipeg said bluntly: "It would seem to me the greatest factor which we (in the trucking business) have to offer toward economical haulage is the semi-trailer." One of its great virtues is that under certain operating conditions the work done by two or three trucks, can now be done by one "tractor" or power unit plus two or three semi-trailers.

Another argument is that the trailer itself, if well built, will last as long as ten years. In the meantime the tractor might be replaced after a life of usefulness at much less cost than a large truck replacement could have been achieved.

• • •

Diesel Engines

MUCH is being heard about the revolutionary Diesel engine. Spectacular results are being achieved toward slashing operating costs by this new form of transportation—particularly in the heavy truck field. Every important truck manufacturer is experimenting with this type of engine and scores of installations are being made in Canada at the present time—particularly since free entry was afforded these engines from Great Britain a few months ago.

At the present, this equipment seems best adapted to trucks of two and a half ton capacity or greater. Another problem which will take time for solution is the dearth of service facilities which, in most trucking operations, are vitally important.

Significant Trends

APART from the truck itself, two significant trends have moved to make old equipment obsolete. The first is merchandising methods; the second, improved highways.

In the past few years all lines of business have carried reduced inventories. Thus with everyone living "off the shelf" has come a demand for different types of bodies, more deliveries and faster deliveries. It is estimated that the average life of a truck today is only five years as compared with seven a few years ago. This simply measures the effect of a much more rapid business tempo, more than offsetting a vastly superior product.

As fast as these new conditions have developed, manufacturers have stepped smartly into the breach and filled the need. Tens of millions of dollars have been spent on research to give increasingly better value for trucking dollars.

And the proof of this is plainly seen by the startling gain in sales of vehicles which has taken place in the last eighteen months as business recovery has found thousands of firms with obsolete transportation equipment on their hands—unable to cope with returning business volume.

It pays to modernize your motor vehicles.

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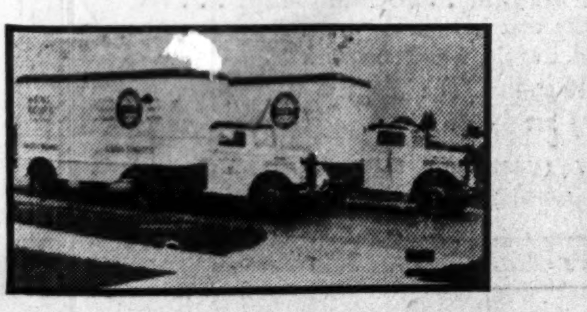

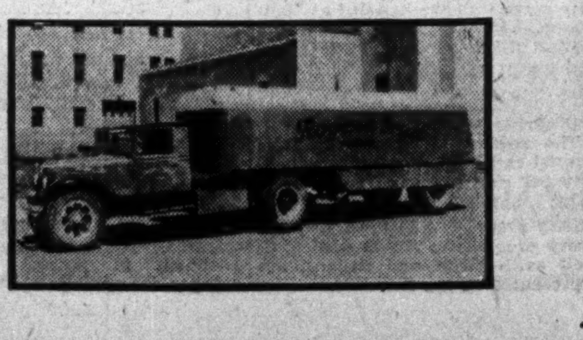

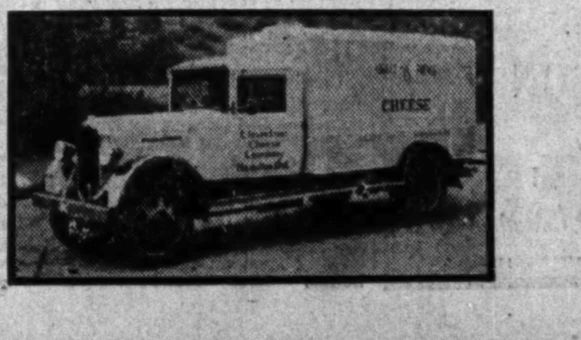

Express Rate Reduction Hits Freight Assemblers

Aimed to Offset Combining Shipments Under Minimum Weight and to Remove Incentive for Splitting — Special Truck Rates Profitable

Rail companies are attempting to rob Peter with a view to extracting a greater revenue from Paul. Strange as it sounds, the rate reduction in Canadian express, which went into force at the beginning of this month, was effected in part to meet a type of competition against freight traffic. It will probably result in a diversion of some light, long haul traffic from freight to express.

Assemblers Active

As was pointed out recently, the current revision represents an attempt to offset the inroads of freight "assemblers." Forwarding concerns have adopted pool car principles to take advantage of minimum shipping costs. That is, they assemble and combine shipments which weigh less than that for which the minimum rate is charged. In this way four shipments of 25 pounds each, for instance, could be made by a forwarding company for slightly more than one quarter the cost of shipping singly, if the minimum freight charge was, as is the practice, on 100 pounds or less.

Rather than initiate an entirely new schedule of freight rates under the 100 pound minimum weight, reductions were made in existing express rates to bring them into a competitive position. While these rates will be somewhat higher than the forwarders can offer, it is believed that speed and dependable year-round service will divert a substantial flow of traffic to express.

Shipment Splitting

A second reason for the reductions concerns the express companies themselves. Some time ago, in order to meet parcel post competition, special rates were introduced on packages of less than 15 pounds. In order to enjoy to the full these special rates shippers were splitting larger shipments into less than 15 pound lots. On this account there has been a considerable amount of packaging waste. This the new rates are designed to overcome.

How the new rates compare with the old, and how they circumvent splitting is shown in the following table giving rates from Montreal:

Old Rates

Destination:	15 lb. $	30 lb. $	50 lb. $	100 lb. $
Winnipeg ...	1.20	3.15	5.05	9.70
Regina	1.40	3.60	5.75	11.05
Calgary	1.55	4.00	6.35	12.30
Vancouver ..	1.55	5.15	8.30	16.20

New Rates

Destination:	15 lb. $	30 lb. $	50 lb. $	100 lb. $
Winnipeg	1.20	2.12	3.53	7.05
Regina	1.40	2.55	4.25	8.50
Calgary	1.55	2.88	4.80	9.60
Vancouver ..	1.55	3.00	5.00	10.00

The new rates apply to long haul shipments only, being drawn up with the northwest traffic, especially in mind. Hauls on which they are in effect vary from 600 miles and over in British Columbia to 950 miles and over in Eastern Canada.

Rate changes on shorter hauls are not being considered at present, it is understood. The reasons above do not apply so much here; package rates are relatively higher than the 100 pound rates obviating advantages from splitting; and forwarders are not so much concerned about short haul business.

Special Truck Rates

Back in 1931, special rates were made on short hauls to meet truck competition. These have been constantly revised since that time as trucking companies have altered their rates. Before 1931, the regular rate on merchandise was $1.60 and on produce $1.10; at present only 50 cents is charged. Generally speaking the same is true of points within a radius of 250 or 300 miles. Taking Toronto as the centre, for instance, these rates would apply within the area bordered by North Bay, Windsor, Ottawa and Cornwall. Such rates are applicable in Ontario and in lesser degree to Quebec and the Maritimes.

Out west, conditions are somewhat different. In Manitoba and Saskatchewan, trucking rates are set by a provincial board, and for the most part approximate those of the railway freight departments. The trucks have an advantage in that cartage is included in their rate. On a restricted number of commodities, in less than carload shipments, express companies have met these charges. There is thus the rather unusual position in which trucking, freight and express charges are equal.

The policy of meeting truck competition with special rates has undoubtedly benefitted the express companies. The increase in traffic on which these rates have been placed, has been considerably greater than on other types of traffic. Officials are prone to regard it as salvaged business; it was a case of meet the truckers rate or lose practically all short haul business.

POWER COMPANY SEEKS TO REDUCE INTEREST CHARGES

Lower St. Lawrence Co. Bondholders to Consider Reorganizing

From Our Own Correspondent

MONTREAL. — Lower St. Lawrence Power Co. bondholders will meet in Montreal Oct. 10 to consider financial reorganization and scaling down of interest charges.

Bondholders representing 25 per cent of the par value of the outstanding series A 7 per cent noncallable first mortgage bonds of the company, have requested the National Trust Co., as trustee, to call a meeting to consider the following scheme:

It is proposed to authorize a new first mortgage bond issue of $3 millions, of which $1.5 millions principal amount will be issued in the form of series A bonds. This block will be dated Oct. 1, 1935, and mature Oct. 1, 1955.

Enchange Par For Par

The plan provides for the exchange of the present 7 per cent noncallable first mortgage bonds for this new issue, which will pay interest at the rate of 5 per cent per annum, payable as to principal and interest in Canadian currency only. The plan further provides for a cumulative sinking fund of 1 per cent to commence Oct. 1, 1936. Bonds will be redeemable at 105 per cent of par, Less one-quarter of one per cent each year down to a minimum of 102 per cent, together with accrued interest.

Controlled in States

Lower St. Lawrence Power Co., is a subsidiary of Consolidated Electric and Gas Co., New York City. It operates local power companies on the Metis River, P.Q., supplying power to Rimouski and 42 other communities in the vicinity, from most of which it holds franchises. The company also owns the entire capital stock and guarantees the bonds of Matapedia Valley Light and Power Co., Rimouski.

According to available information, the company has outstanding $633,100 of the 7 per cent first mortgage bonds; $279,000 of 8 per cent second mortgage bonds; $108,000 of 7 per cent general mortgage bonds; and the Matapedia Valley Light and Power Co. has outstanding $266,900.

Record Loss on Operations

The latest available financial statement of the company, dated Sept. 31, 1933, shows total assets of $2.3 millions, including current assets of $123,378, plant and franchises of $2.1 millions and special and sinking fund deposits of $12,843. Current liabilities amounted to $38,696; reserves, $61,034; and deficit, $357,543.

Gross revenue for 1933 was $237,177; operating expenses and taxes $115,014; interest and other income charges, $105,128; provision for retirement, $38,910; net loss for year, $21,876.

AUGUST OUTPUT OF NEWSPRINT UP OVER YEAR AGO

Canadian Mills Record Increase — U. S. Production Lower

From Our Own Correspondent

MONTREAL. — Canadian newsprint mills manufactured 235,573 tons of paper during August and shipped 225,736 tons, according to a report released by the Newsprint Service Bureau. During the same month a year ago, production totalled 216,164 tons and shipments 209,938 tons.

Newsprint production in the United States last month totalled 75,187 tons, and shipments 74,872 tons. This was not as good a showing as was made in the same month last year, when the mills turned out 80,903 tons and shipped 90,482 tons.

During the last month, 29,565 tons of newsprint were made in Newfoundland and 2,069 tons in Mexico, giving a total North American production of 342,394 tons. Last year Newfoundland manufactured 30,223 tons, and Mexico 1,868 tons, giving total North American production of 329,158 tons.

Cumulative Total Higher

Canadian mills produced 67,534 tons more in the first eight months of 1935 than in the corresponding period of 1934, an increase of 4 per cent. The output in the United States was 38,104 tons, or 6 per cent less than for the first eight months of 1934; Newfoundland 11,571 tons, or 5 per cent more; Mexico, 837 tons more, making a total increase of 41,838 tons, or 1.6 per cent

Stocks of newsprint paper at Canadian mills were reported at 75,305 tons at the end of August, and at United States mills, 18,202 tons, making a combined total of 93,507 tons, compared with 81,960 tons on the same date a year ago. Detailed returns show that Canadian stocks increased by 14,000 tons, while those in United States decreased by 2,400 tons.

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ELECTRIC OUTPUT MONTREAL POWER GAINS IN AUGUST

Gas Production Continues on Somewhat Smaller Scale

From Our Own Correspondent

MONTREAL. — Montreal Light, Heat and Power Consolidated reports electricity output for local consumption during August recorded a moderate improvement of 3.78 per cent over figures for the same period last year. This is the second consecutive month in which gains have been reported, July production having been 3.68 per cent higher than for the same month a year ago.

Output last month amounted to 78.3 million kilowatt hours. This compares with about 75.5 million kw.h. in the same month a year ago.

Total output since the beginning of the year showed an increase of .59 per cent over the same eight months of 1934, the actual figures being: 1935, 652.9 million kw.h.; 1934, 649 million kw.h. These figures are for the city of Montreal and district only and do not include off-peak or export power.

Gas Demand Slower

Gas production for August continues to be somewhat lower than last year. Output totalled 399 million cubic feet compared with 422 million cubic feet in the same month last year, a decrease of 5.47 per cent.

For the period since January 1, the total gas output was 3,421 million cubic feet. This compares with 3,608 million cubic feet in the corresponding period of 1934, a decrease of 5.18 per cent.

COURTS OF B. C. TO DECIDE ISSUE MARKET CONTROL

Far-reaching Consequence if New Deal Farm Legislation Thrown Out

From Our Own Correspondent

VANCOUVER. — Constitutionality of both federal and provincial legislation dealing with the control of marketing is being questioned in British Columbia courts and the result of present litigation may have far-reaching consequences. If the court decides that the measures are ultra vires then the whole system of controlled marketing in many branches of agriculture and in some phases of the fishing industry would be undermined.

Powerful interests are involved in both sides of the controversy. It looks as though the issue may not be finally settled until the case is laid before the Privy Council. Meanwhile, the British Columbia Government, which was first among the provincial authorities to give effect to Premier Bennett's federal marketing law, is pressing for amendments to the law which may make it invulnerable to constitutional attack. Suggestions along this line will be made at the inter-provincial conference to be held some time this winter.

New Action Begun

No sooner had one group of growers protested the marketing law than a new action was carried into the supreme court in Victoria by an organization known as Vancouver Growers, Ltd. The B. C. Coast Vegetable Marketing Board was named defendant. It is understood that the dispute arises over the authority of the board to regulate distribution of vegetables. A "potato war" has prevailed in and around Vancouver for several weeks, provincial police being stationed at various points of entry to bar "outlaw" potatoes whose sale might interfere with the stabilization policy of the Marketing Board.

Frank Higgins, K.C., counsel for Vancouver Growers, bases his application on section 121 of the B.N.A. Act which establishes the fundamental principle that "all articles of growth, produce or manufacture, of any of the provinces, shall be admitted free into each of the other provinces." This is a direct sequel to the action of the tree fruit board in fixing a list of specified agents on the Prairies who will have a virtual monopoly of the trade in fruit and vegetables produced in B. C. under the Marketing Board's control.

Contends Irregularity

Mr. Higgins also contends that the ballotting which gave effect to the Marketing Board's jurisdiction was irregular inasmuch as actual growers did not vote. He claims that the marketing scheme has become unworkable and a needless charge on the industry.

"A big, costly machine is being built up to impose levies, and tolls and raise prices to the consumer, and at the same time make it impossible for the producers to get a return," says Mr. Higgins. "And it is all illegal."

The provincial government has suffered embarrassment in a different quarter in connection with marketing legislation by the fining of an Okanagan commission house for shipping fruit without a license. Although the government has no control over the tree fruit board, which had refused to grant the offending firm a license it feels that a difficult precedent has been created. This would likely create the impression that the marketing law sponsors monopoly. The provincial authorities believe that if such a policy is persisted in the whole system of controlled marketing will collapse.

Cumberland Railway Calls Bonds for Sinking Fund

From Our Own Correspondent

MONTREAL.—Cumberland Railway and Coal Co., subsidiary of Dominion Steel and Coal Corp., is asking bondholders for offers on its five per cent first mortgage bonds up to an amount of $30,385 for the purpose of meeting sinking fund requirements. At the end of last year the company had outstanding about $2.3 millions of these bonds.

Cumberland Railway bonds are unconditionally guaranteed as to principal and interest by Dosco, this obligation having been assumed under the 1930 reorganization plan from the former guarantor, Dominion Steel Corp.

Through lease of the property, Dominion Coal Co. pays interest and sinking fund on the first mortgage bonds.

Buying Income

Investors Force Corporation Bonds Above Call Price — Many Selling at a Premium

From Our Own Correspondent

MONTREAL.—With yield on government bonds slashed to less than half of that prevailing a few years ago, investors have been scurrying around looking for other outlets for their funds in an endeavor to maintain income at former levels. This has resulted in forcing up the price on a wide list of bonds and stocks—both good and bad. The sounder corporation bond issues, in particular, have come in for close attention and prevailing values on this type of security offer convincing proof that interest rates are low and explain why many corporations recently have been carrying out refinancing plans.

Trust deeds have been scanned as they never were before and these studies have resulted in a reappraisal of the value of many of the sounder corporations which have outstanding a bonded debt. The call features on bonds have been carefully investigated, bringing to light a number of interesting circumstances which have sometimes proved embarrassing to the company concerned and often of considerable benefit to the buyer who bought the bonds without ever seeing the trust deed.

Bell Bonds Favored

The classic example among Canadian corporations probably is that of the Bell Telephone Co. of Canada. This company has outstanding three bond issues, all bearing five per cent interest charges, and maturing from 1955 to 1960. Under present financial conditions the company would like to take advantage of low interest rates, but they cannot call their bonds at this time.

The Bell Telephone trust deed says the 5's of 1960 cannot be called until 1950; the 5's of 1955 until 1940; and the 5's of 1957 until 1947. With this knowledge investors have bid up the 1960 issue to 118; the 1955 issue to 114; and the 1957 issue to 117; knowing that for the next few years their holdings cannot be replaced with a lower coupon issue. The premium paid for this assurance is seen in the fact that the bids of today range from 9 to nearly 13 points above the call price (all bonds are callable at 105 within certain specified periods).

Bid Above Call Price

Montreal Light, Heat and Power Consolidated 5's of 1951 is another instance where the bid price is above the call price, even though the bonds can be redeemed on short notice. This issue is callable at 104 and is bid at 106½. The high bid places the 5's in the position of a short-term security and is due to the belief that the company will shortly call the bonds in pursuance of its plan to replace all of its direct and indirect debt on a lower interest basis.

Provincial Light and Power Co., a subsidiary of Montreal, has a five per cent bond issue, maturing in 1946, which is bid at 106 or one point above its call price. The premium on this security is paid not in anticipation of an early calling of the bonds, but because the trust deed says the company can only call bonds for sinking fund purposes. The amount callable is limited.

Heavy Premium For Steel

Steel Co. of Canada's 6's of 1940 can be called by the company on short notice, but investors are bidding 111 for the bonds when the call price is one point less. At this level the bonds yield less than four per cent to maturity—a return which is relatively low for a corporation issue but still well above that provided by a government bond.

West Kootenay Power and Light Co., subsidiary of Consolidated Mining and Smelting Co. of Canada, five per cent bonds of 1956 are currently bid at 105½. This is half a point above the call price, which drops to 104 next year. Here again investors have bid up a sound corporation bond beyond its call price, but still returning a yield above that obtaining for government bonds.

Many Sell at Premium

While these are outstanding examples of the record levels to which corporation bonds have been bid by investors seeking a return for their capital higher than can be obtained from government bonds, there are a number of other corporation bonds at or near their call price. Riordon 6's of 1942 are bid at the call price of 105. McColl Frontenac first mortgage bonds are selling within half a point of their call price. Maritime Telegraph and Telephone 6's of 1941 at 108 are within two points of their call price, while Penman's 5½'s are selling at a fraction less than the call price of 110.

The list could be greatly extended. The foregoing shows, however, that esteemed corporation bonds are fetching the highest price in years. With a continuance of the downward trend in interest rates, an increasing number of corporation bonds will likely sell above their call price.

Lake St. John Power Income Holding Up

From Our Own Correspondent

MONTREAL. — Operations and earnings of Lake St. John Power and Paper Co. during the current year are on approximately the same basis as was experienced in 1934. In the latter year the company operated at nearly 85 per cent of capacity, which resulted in net earnings of $405,822, or the equivalent of about 70 per cent of bond interest requirements. Consequent upon this improved showing, the interest payment on the first mortgage bonds due on August 1, 1932, was paid on February 1 last.

It is not anticipated that a second coupon will be paid this year. The belief is that the board will wait to see the final returns on the year's operations. In that event no action will be taken in regard to further interest payments until some time next January or February.

First Boston Heads Group Duke Financing

From Our Own Correspondent

MONTREAL. — No further announcement has been made in respect to the proposed refunding operations of the Duke-Price Power Co., whose name was changed to Saguenay Power Co. last month. Plans are for the retirement of the first mortgage bonds at their call price and replacement with an issue carrying a coupon of 4 or 4¼ per cent. The refunding operation will be carried out by an American syndicate headed by The First Boston Corp. of New York City. The latter headed the syndicate which recently carried out the Dominion of Canada financing in New York.

Bonds Issued in 1926

The original offering of the Duke-Price Power first mortgage 6 per cent bonds was carried out in April, 1926 by a syndicate headed by the National City Co. Ltd. The bonds were offered at par and accrued interest.

On the basis of the proposed offering of a new security carrying a coupon rate of 4 or 4¼ per cent, the Saguenay Power Co. will be able to effect substantial savings in interest charges on the funded debt.

Meanwhile the company is asking for offers of its 6 per cent first mortgage bonds to the extent of $265,661 in order to meet sinking fund requirements. At the end of last year, the company had outstanding $35.5 millions of this issue.

Halifax Port Tonnage Records Moderate Decline

From Our Own Correspondent

MONTREAL. — Cargo tonnage handled at the Port of Halifax last month was somewhat less than a year ago, having amounted to 137,365 tons as against 139,529 tons in August, 1934.

Cumulative returns for the first eight months of 1935 give an aggregate cargo tonnage handled at Halifax of 1,488,783 tons. This is the highest reported in several years and compares with 1,396,999 tons in 1934.

Tourists Flock to Saint John

The register at the Saint John Tourist and Publicity Bureau shows fifty per cent more tourists visiting Saint John this year than last. Nearly every state in the union and every province in the Dominion, as well as England and France, are represented in the list.

DOM. WOOLLENS SUFFERS SEVERE INVENTORY LOSS

Sales Now Improving — Statement Reflects Reorganization

Complexities enter the annual report of Dominion Woollens & Worsteds Ltd. for the year ended June 30, 1935. The statement reflects changes arising from the reorganization adopted early this year. It also shows in the income account, analyzed on page 14, adjustments of surpluses and a heavy loss for 1934-35.

Decline of wool prices up to March 1935, lowered the price of the company's finished products. Inventory was therefore written down $262,347, which more than accounts for the entire year's loss If it had not been for this factor, a gross profit would have been shown before depreciation. There was no deduction made for depreciation in 1934-35.

Sales and Inventory

Value of shipments was down 12 per cent from the preceding year, states president A. O. Dawson in the report. Sales are now improving steadily, he says. This he attributes to the rise of wool prices since March which has stimulated purchasing. Inventory was carried $336,955 below the 1934 figure in this year's statement. The lower of cost or replacement values was used for valuation. This would indicate that there may actually be an inventory profit on the company's books.

Naturally there will be no payment on the income bonds issued under the reorganization. The company's mortgage liability to bondholders is halved at $1,058,500 in the statement But there is an addition to capital liabilities of $1,270,200 for 63,510 shares of new preferred stock. This increases mortgage and capital liabilities by $211,700. An item of this amount is carried as an asset, but other reorganization items were written off surplus.

Fixed Assets

Fixed assets show a reduction to $3,002,456 compared with $3,069,786 in 1934, both figures being net after depreciation. Cost of maintaining physical condition of plants has been charged against operations, Mr. Dawson states. This is a further indication of conservatism in the accounting of the year's unfavorable results.

Jamaica Public Service Increases Com. Dividend

From Our Own Correspondent

MONTREAL.—Directors of Jamaica Public Service Ltd. have increased the dividend on the common stock from $1 to $1.50 annually.

For several years, earnings of the company have been well in excess of the new rate of dividends. Shortly after incorporation the Jamaica Public Service Ltd. which holds the stock of Jamaica Public Service Co., placed its common stock on a dividend basis of 50 cents annually. This was increased to $1 a share in 1931, at which figure it has been maintained to date.

Telegraph Revenues

The telegraph business showed an upward turn in 1934 and gross revenues increased from $9,267,715 in 1935 to $9,972,627. Operating expenses were heavier by $313,180 and net operating revenues from $1,144,751 to $1,536,483. The increase in the net corporate income was largely a matter of accounting with the Canadian National Telegraph Department in reducing arbitrary charges for rentals.

SEES GROWTH EXPORT DEMAND FOR NEWSPRINT

Output in Scandinavia and Newfoundland Nearing Maximum

"Exports to countries other than the United States are becoming a matter of increasing importance to the Canadian newsprint industry," states the Royal Bank in its current monthly review. "Whereas such exports took care of six per cent of Canadian production in 1927, they amounted to eighteen per cent of the increased production of 1934. In the interval between 1932 and 1934 there was a major recovery in the volume of newsprint production. Where Canadian production had fallen to 1,914,000 tons in 1932, by 1934 it had reached 2,599,000 tons. Of this increase, one-third was sold in overseas markets.

"If this expansion in new markets were merely an outlet for some of Canada's surplus capacity during the depression, it would be regarded as a welcome relief, but as of temporary importance. In point of fact, however, the careful study of the situation found in 'Newsprint in the World Market,' a pamphlet published by R. K. Martin, secretary of the Newsprint Export Association, suggests the probability of a steadily increasing overseas demand for Canadian newsprint.

Foreign Output

"Scandinavian output of newsprint seems to be approaching the maximum which can be economically produced in that area. A like report has been made concerning Newfoundland. While it is said that the United States could greatly increase production by developing mills in Oregon or Alaska or by a new process, making use of the pines in the south, such developments would involve large investments, which seem improbable unless newsprint prices rule much higher than in recent years. It is possible that there may be an increase in the amount available from Russia, but in that country there has been a steady increase in home demand and it may even prove difficult for Russia to keep abreast of her own requirements.

"Canada, with forty per cent of the world's newsprint capacity, producing two-thirds of the newsprint which enters into international trade and with an excess capacity as compared with 1934 production greater than that of the whole of the rest of the world, has been the chief sufferer from under-consumption and low prices. With the trend toward recovery well established, and with indications that newsprint consumption is likely to show a large per capita increase in many overseas markets, Canada stands to receive the chief benefits from such improvement in world demand.

"In the following table will be found the figures of per capita consumption in 1934, together with gains and losses as compared with 1927. In spite of the gains mentioned, the per capita consumption in most overseas areas is still at a low level, leaving a wide margin for expansion as the populations of these countries begin to take a wider interest in news and advertisers begin to utilize this approach to their public on a more adequate scale."

Newsprint Consumption

	Pounds 1934	Change from 1927
United Kingdom	57.5	+20.
United States	46.0	—10.
Australia & New Zealand	43.9	+ .4
Argentina	27.0	+13.9
Holland	24.9	+ 7.4
France	19.0	+ 7.7
Scandinavia	18.0	+ 4.5
Japan	11.7	+ 4.1
Germany	11.6	+ 0.7
Italy	3.6	+ 1.1
Russia	2.4	+ 1.3

Vegetable Oil Imports

Imports of vegetable oils in June were valued at $944,569 as against $454,711 last year. There were increases in cocoanut oil, mainly from Ceylon, but the largest increase was in palm oil, mainly from Nigeria and the Straits Settlements.

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CONVERSION TALK IS DEMORALIZING TO GOV'T BONDS

Dominion, Provincial and Municipal Bonds Suffer Wounds

Because of demoralization of prices for government bonds in the week ended Sept. 17, investment circles are devoting attention to methods by which a nation-wide conversion of government debts might be carried out. There are complications in every scheme discussed.

Many investors and some investment dealers seem to be taking it for granted that some sort of all-embracing conversion will be tried in Canada. Critics of the conversion scheme, however, suggest that it may be forgotten after the federal election.

Prices for government bonds dropped to lowest levels of the past 18 months as a result of continued offerings by nervous investors. Bids were lowered without heavy purchases actually being made.

Other Issues Suffer

Western provincial bonds and municipal securities suffered from the conversion scare too. Declines in western bonds were general and ranged up to four points. Municipal issues softened, prices being lower for first class issues and bids being thin or "nominal" for less respected bonds.

Indicative of the adverse developments, the city of Westmount withdrew its invitation of tenders for $220,000 of 3½ per cent bonds. Bids were to have been made Sept. 17. The market slump meant that bids would perhaps be scantier and certainly lower, than had been expected when the invitation was issued over two weeks ago.

Corporation bonds withstood the effects of receding quotations for government issues better than might have been expected. Losses were comparatively small and were apparently based chiefly on individual developments. If government bonds remain at new low levels, however, some pressure on a broad scale would be expected for corporation issues.

The downward plunge of government bonds is shown in The Financial Post's daily average:

Average Yield and Price for Seven High Grade Canadian Bonds

1935	Yield %	Price $	1934	Yield %	Price $
Sept. 17	4.029	107.36	Sept. 17	3.739	111.08
Sept. 16	4.027	107.43	Sept. 15	3.739	111.07
Sept. 14	3.950	108.04	Sept. 14	3.739	111.07
Sept. 13	3.933	108.29	Sept. 13	3.739	111.07
Sept. 12	3.869	109.14	Sept. 12	3.739	111.08
Sept. 11	3.759	110.29	Sept. 11	3.736	111.11
Sept. 10	3.680	111.04	Sept. 10	3.724	111.12
Aug. 31	3.637	111.54	Aug. 31	3.740	111.03
July 31	3.491	113.06	July 31	3.811	110.39
Year's	3.367	114.97	Year's	3.373	115.00
Range	4.029	107.36	Range	4.517	102.54

Investment Notes

Marcus Loew's Pay Dividend

MARCUS LOEW'S THEATRES, which owns two large theatres in Toronto, has declared a dividend of $1.75 a share on the 7 per cent preferred stock, payable on Sept. 30 to shareholders of record Sept. 20. This still leaves $43.75 a share of arrears. The company paid $5.25 in 1934 and $5.25 a share so far in 1935. Another $1.75 a share payment would bring the dividend up to the full yearly rate but the latest dividend was for the quarter ended June 30, 1929.

* * *

Power Corp.

OPERATIONS of the utility companies affiliated with Power Corp. of Canada, as at June 30, 1935, revealed a number of interesting changes from that reported a year ago. Aggregate number of gas customers served this year is 64,119, as against 64,516. Despite this decline, there was an increase in the amount of gas produced from 1,878 million cubic feet to 2,040 million cubic feet.

Tramway operations of affiliated companies are steadily giving way to the motor bus. During the year from June 30, 1934, to the same date this year, the number of motor buses in operation increased from 101 to 115 and bus route mileage from 435 to 460. While the number of street railway cars in operation remain the same at 1,076, there was a decline in the mileage of railway lines from 526 to 519.

Increasing power operations are shown by the fact that during the year the number of miles of transmission lines in operation increased from 2,755 to 2,822 and the miles of distribution lines from 3,693 to 3,762.

* * *

Loblaw Explanation

LOBLAW GROCETERIAS results for July and August also carried an interpretive note. Regular issuance of reports on results are helpful to shareholders. Persistence in this, whether the figures are good, bad or indifferent, has been fair and helpful to all concerned. Explanatory notes are also to the good.

Regular issue of these interim reports has precluded any suspicion of propaganda such as often surrounds incidental statements by some companies.

* * *

Dominion Stores Data

DOMINION STORES has supplied interpretive material in its latest sales bulletin issued this week. This is likely to be continued. As usual, investors will be informed of sales for each four-week period. Where the figures require comment, it will be given.

* * *

Brewing Corp. Soft

A DIVERSIFIED beverage firm, Brewing Corp. took on the aspect of a soft drink as the shares yielded to pressure early this week. Immediately following the renewed decline, a statement was issued that August sales were 8.1 per cent above those for the 1934 month. Perhaps the cool September weather in central Ontario, which has chilled the beer business, is a contributing factor in the softness. While officials look for continued improvement in the quarter ending Oct. 31, investors have been disappointed in earnings. The high yield, now effective on the basis of the half-pay rate of $1.50 a share on the preferred stock, reflects investment opinion that this rate is none too secure.

* * *

B.C. Power

OPERATIONS of British Columbia Power Corp. in the year ended June 30, 1935, recorded a general improvement over the preceding year. The light and power system reports an increase of over 2,700 customers; a gain in the motor load of 5,212 h.p., and an increase in output of more than 17 million kw.h.

The gas system was able to increase output by over 64 million cubic feet. This was brought out by the bringing into production of a new plant and reduction in rates for gas heating.

The railway system reports an increase of 1,569,000 in the number of passengers carried and about 17,000 tons more of freight. The improvement in freight was largely due to the temporary removal of restrictions governing the shipment of Canadian wood products into the United States, a shortage of these products having occurred owing to the labor strikes in the lumber mills of Oregon and Washington.

* * *

Grain Companies' Prospects

FINANCIAL statements of the western grain companies issued to date would indicate that in the last crop year earning power was practically unchanged. Small increases were recorded in some cases and generally working capital and balance sheet position were improved.

Prospects during the current crop year do not hold out any special encouragement. Drought, hail, frost and rust over large areas have again taken a heavy toll of the crop now being harvested, though this is better distributed. Further, from Sept. 1, 1935, grain storage charges have been reduced by one third from the figure prevailing last year. Accordingly it is not expected that earnings during the current year will be as good as those in the year just closed.

* * *

Royalite Still Weak

ONE of the items in Mr. Aberhart's "social credit" plan for Alberta seems to be aimed at Royalite Oil and accounts for its recent weakness from which there has been little recovery. The idea of turnover levies includes drilling deep into oil company revenue. Also, Mr. Aberhart has said something—in print—about "decentralization" and removal of "monopolists' control" in Alberta's gas and oil fields. Nervous Alberta investors have been sellers of Royalite which has been one of the most successful investments in the province. It's just politically and economically possible that Mr. Aberhart may not get around to breaking down the huge Royalite investment in the oil field it "made" for Alberta.

Indus. Acceptance Corp. Handle More Business

From Our Own Correspondent

MONTREAL.—Volume of business handled by Industrial Acceptance Corp., which finances time payment sales, amounted to $8,662,000 for the first six months of 1935 compared with $6,706,000 for the same period a year ago.

RATE REDUCED 6 TO 4 P.C. BONDS VANCOUVER PROPS.

Bondholders Medical and Dental Building Given Common Stock

Readjustment plan of Vancouver Properties Ltd., which owns the Medical and Dental building, Vancouver, has been approved by a large majority of bondholders. Of $518,500 represented at the meeting out of a total of $984,000 outstanding bonds, the votes in favor of the plan amounted to $481,500. No opposition was made. The bondholders committee will continue to supervise management of the building and the working out of the amended agreement.

Under the new arrangement bonds will bear interest at 4 per cent from August 16, 1935, instead of 6 per cent as hitherto until the outstanding bonds have been reduced to $750,000 through operation of the sinking fund. The rate will then be increased to 4½ per cent until bonds have been reduced to $500,000. The bonds will thereafter pay 5 per cent until maturity or full redemption. Maturity is extended from February 15, 1944, to February 15, 1955.

To compensate the bondholders for interest rate reduction, 37.5 per cent of the capital stock has been set aside in order to donate to them one common share for every $500 bond held. F. Freer Brock, in recommending acceptance on behalf of the bondholders committee, said that he believed shareholders would eventually get all the interest they had expected under the 6 per cent bonds. He believes the common shares will pay dividends to make up for the loss eventually. In the meantime the company had not earned 6 per cent interest in 1934 and it was more important to get rate lowered and sinking fund established. The latter would help market value of bonds.

The interest coupon due August 15, 1935 and scrip outstanding, will now be paid with accrued interest at 6 per cent to date.

CANADIAN
INVESTMENT SECURITIES

ENQUIRIES
INVITED

BELL, GOUINLOCK & CO.
LIMITED
MONTREAL 25 KING STREET WEST TORONTO, CANADA WINNIPEG
TELEPHONE: ELGIN 2236

Gypsum, Lime Capital Reduction Meets Approval

From Our Own Correspondent

MONTREAL. — Supplementary letters patent have been issued to Gypsum, Lime and Alabastine, Canada, Ltd., reducing the capital stock from 2 million shares of no par value to 500,000 shares, the decrease being effected by the cancellation of 1.5 million shares. By this action the company reduced the share capital from $6,183,392 to $2,200,215, the difference being represented by available assets.

Significant Investors' Index Numbers

1926 = 100

No. of Securities	Iron and steel 17	Pulp and paper 6	Milling 4	Oils 4	Textiles and clothing 10	Food and allied products 18	Beverages 8	Total industrials 87	Total utilities 20	Total co's. 112
1929-34:*										
High	383.8	118.2	267.4	416.8	110.1	193.8	241.9	311.0	163.6	235.4
Low	36.8	1.4	34.9	78.3	24.0	68.5	27.3	44.0	30.5	38.6
Monthly Figures, 1935:										
January	129.4	14.0	71.5	181.5	75.8	134.2	106.8	129.7	50.4	90.5
February	126.4	13.4	67.4	197.7	75.6	131.3	108.1	128.8	49.4	89.6
March	117.0	11.6	56.0	176.0	74.1	126.5	101.6	125.6	45.1	86.1
April	119.4	11.1	56.9	178.6	73.1	125.1	99.6	130.8	43.8	88.5
May	121.9	10.8	59.9	211.7	70.3	127.8	102.4	144.4	44.4	96.8
June	118.6	10.5	58.4	217.9	67.2	127.0	104.7	145.2	45.0	97.1
July	122.2	10.6	57.4	210.6	66.7	128.5	116.7	143.8	44.7	95.5
August	122.1	12.0	59.3	210.0	65.5	130.1	122.9	146.1	47.7	98.2
Weekly Figures, 1935:										
Sept. 5	118.5	11.4	60.3	208.6	62.5	128.9	123.1	145.6	46.3	97.3
Sept. 12	119.8	12.3	60.6	210.9	63.1	128.0	129.0	147.9	47.3	98.7

*High and low of years from 1929 to 1934 inclusive are based on weekly figures. Compiled from figures issued by Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indus.	20 Golds	20 Misc. Mines
Sept. 17	111.56	105.23	93.36
Sept. 16	111.45	105.09	93.53
Sept. 14	111.72	105.67	93.07
Sept. 13	112.29	105.11	92.46
Sept. 12	111.77	104.61	91.31
Sept. 11	111.63	104.63	91.44
Month ago	112.43	100.09	96.27
Year ago	92.90	123.89	85.17
High, 1935	114.74	123.68	103.99
Low, 1935	97.90	96.70	80.83

Montreal Averages

	10 Util.	20 Indus.	30 Comb'd
Sept. 17	61.3	60.2	60.6
Sept. 16	61.4	60.0	60.5
Sept. 14	61.6	60.0	60.5
Sept. 13	61.5	59.6	60.2
Sept. 12	61.8	59.7	60.4
Sept. 11	61.2	59.5	60.0
Month ago	62.0	59.6	60.4
Year ago	61.3	53.6	56.2
High, 1935	64.2	63.1	63.0
Low, 1935	56.1	56.0	56.7

WHY JAPAN SELLS CHEAP

Capital, as we know it in United States and Canada, is due for a severe overhauling. There are five factories where there should be one, says Howard Scott, chief of Technocracy, seven machines where one working full capacity would do the job, and 700,000 retail outlets where 15,000 to 20,000 centres of distribution would be sufficient, claims Mr. Scott.

What would be the result of fewer factories, fewer retail outlets and more efficient plant? The result, claims Mr. Scott, instead of money going into duplicative and competitive plant (capital goods), money would go into food, clothes and recreation (consumer goods) for our office and factory workers.

How would those consumer goods get into the hands of the masses if they have not now enough money to buy what they want and need? Mr. Mordecai Ezekiel of the Roosevelt Administration answers this by showing that in 1929 the 36,000 richest families in North America received as much income as the 11,000,000 poorest families.

It may be true that these 36,000 richest families did not spend their money in riotous living, but reinvested it. Reinvested in what—in more factories, more stores, more machines to duplicate and compete with existing plants?

If the wages of money were decreased and the wages of work were increased, that would at once switch more income into consumer goods.

There can and will be no real pick-up to Canadian business until interest rates are reduced and industry is simplified to a point where the masses can produce and buy large quantities of food, clothing and shelter.

Japan, in cotton, indicates what United States and Canada will have to do to simplify production and distribution.

Japan has only nine million spindles, but operates those for about 600 spindle hours per month.

United States has 31 million cotton spindles, operates about 24 million of them, and at a net monthly average of only 195 spindle hours per month. This against Japan's 600 spindle hours per month.

Japan believes in having a small amount of modern machinery, but believes in making that machinery do a large amount of work.

Japan, with one-tenth the factories and with less than one-third the spindles of United States, is actually producing more finished cotton than United States and Canada combined. That is why Japanese goods are cheap and our goods are expensive.

Is it any wonder, then, that North American backs are bare and stomachs are hungry?

Is there not a great deal in Howard Scott's technocratic claim that this continent will have to copy what Japan is doing to simplify industry?

What Japan is doing industrially in cotton, she is doing in a hundred other lines; Russia is doing likewise. Some time ago Moscow showed the catch of her salmon traps; she jubilated in the saving in man hours per case of salmon.

For years Canada has had no fish traps, and recently, at the instigation of American labor unions, Seattle and Puget Sound points have stopped trap fishing.

We in North America apparently have not the social sense to use and regulate machinery like fish traps and modern abattoirs, so our people revert to hand fishing and hand-and-back labor and hungry mouths.

The natural products of United States and Canada, and our capacity to manufacture them, is, per person, 20-to-1 that of Japan.

North America's ability to make the most of what we have, as Japan and other countries are doing, needs a severe overhauling.

Editorial reprint from August 5, 1935, issue of The Vancouver Sun.

Vancouver Sun journalism helps people "SEE" and makes readers think. That is why 70,000 families enjoy their own, their home town paper.

THE VANCOUVER SUN

The Newspaper That Sells Goods to Vancouver People

Loblaw Sales Continue Rise

Loblaw Groceterias Co., in July and August, enjoyed increased sales, but had lower profits than for the same periods a year ago. August alone showed a slight increase in profits.

Sales and profit figures are issued by the company for each 4-week period. These periodic statements, the company points out, are not entirely reliable on a comparative basis as an index of the year's earnings. Special buying opportunities, it is stated, may not have had precisely the same influence in one period as in the period with which results are compared.

Fall and winter months produce the best volume for the company, December and January being the best months. Also, discounts and other special allowances for the entire year are only taken into account in June, the last month of the fiscal year.

Loblaw Sales and Profits

4 weeks to July 22:	1935 $	1934 $	Decrease %
Sales	1,065,642	1,063,314	*0.22
Profits	31,015	43,877	29.31
August 24.			
Sales	1,081,529	1,046,965	*3.30
Profits	47,794	47,153	*1.36
12 weeks to Aug. 24:			
Sales	3,327,970	3,281,039	*1.43
Profits	128,787	150,153	14.22

*Increase.

Staveley Apartments Pays Aug. 15, '33, Coupon

Coupon 12, due Aug 15, 1933, on the first mortgage bonds of Staveley Apartments was paid Sept. 16, 1935.

Matured bonds, which carry no coupons, may be presented at the London & Western Trusts Co., Toronto, which is handling all the payments.

Bond Redemptions

Bond Issues:	Rate	Year	Date	Price
Amer. Salesbook	6%	1939	Oct. 1	102½
Belding-Cort.	5%	1936	Nov. 1	105
Can. Cons. Felt	‡6%	1940	Oct. 1	105
Cumberland Rly. & Coal	5%	1940	Sep. 19	...
Dom. Canners	*6%	1940	Oct. 1	110
Duke-Price Pw.	6%	1966	Sep. 23	▲105½
G. T. R.	7%	1940	Oct. 1	■102½
Nat. Cement	7%	serial	Nov. 1	102
National Grocers	6%	1935	Nov. 1	105
Ont. Steel Prod.	•6%	1943	Dec. 1	110

For sinking fund: ‡$65,000. *$62,600. •$23,900.

▲Tenders not to exceed this price.

■Payable in N. Y. funds.

Stock Issues:	Rate	Stock	Date	Price
Inter. Milling	7%	Pref.	Oct. 15	*110
Do.	6%	A Pref.	Oct. 15	†107

*Plus accrued dividends of 88 cents per share.

†Plus accrued dividends of 75 cents per share.

Bond Tenders

Grand'Mère, Que., Oct. 9, 5 p.m.—$39,500 4½ per cent bonds dated Oct. 15, maturing serially 1936-65. J. E. Deziel, sec.-treas.

St. Augustin de Demaur, parish, Que., Oct. 5, 2 p.m.—$28,400, 4 per cent bonds dated Nov. 1, maturing serially 1936-65. Delphis Marois, sec.-treas.

St. Jerome, Que., School Commission, Sept. 19 — $15,000, 4½% bonds maturing serially 1936 to 1955. C. Viau, sec.-treas.

Sainte Rose, Que., Sept. 26, 4 p.m.—$25,000, 3½% or 4% bonds maturing serially 1936 to 1955. A. Pepin, sec.-treas.

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Municipal—	Date Sold	Sold to	Rate	Due	Amount	Price	Yield
Town North Sydney, N.S.	Aug.	W. C. Pitfield & Co.	4½%	20 yrs.	$25,000	...	......
Saint-Francois d'Assise, Que.	Sept. 9	Hamel, Lugere & Co.	4%	15 yr. ser.	424,500	*100	4%
Grey Nuns of the Cross, Ottawa	Sept.	L. G. Beaubien & Co.	3½%	†1941-45 †1946-55	$190,000	*100 * 99	....

OFFERING OF CORPORATION AND FOREIGN SECURITIES

Bond Issue—	Date Sold	Sold to	Rate	Due	Amount	Price	Yield
National Grocers	Sept. 16	McLeod, Young, Weir & Co., R. H. Daly & Co., Nesbitt, Thomson & Co.	4%	1936-47	1,200,000	99½-100½	4.0

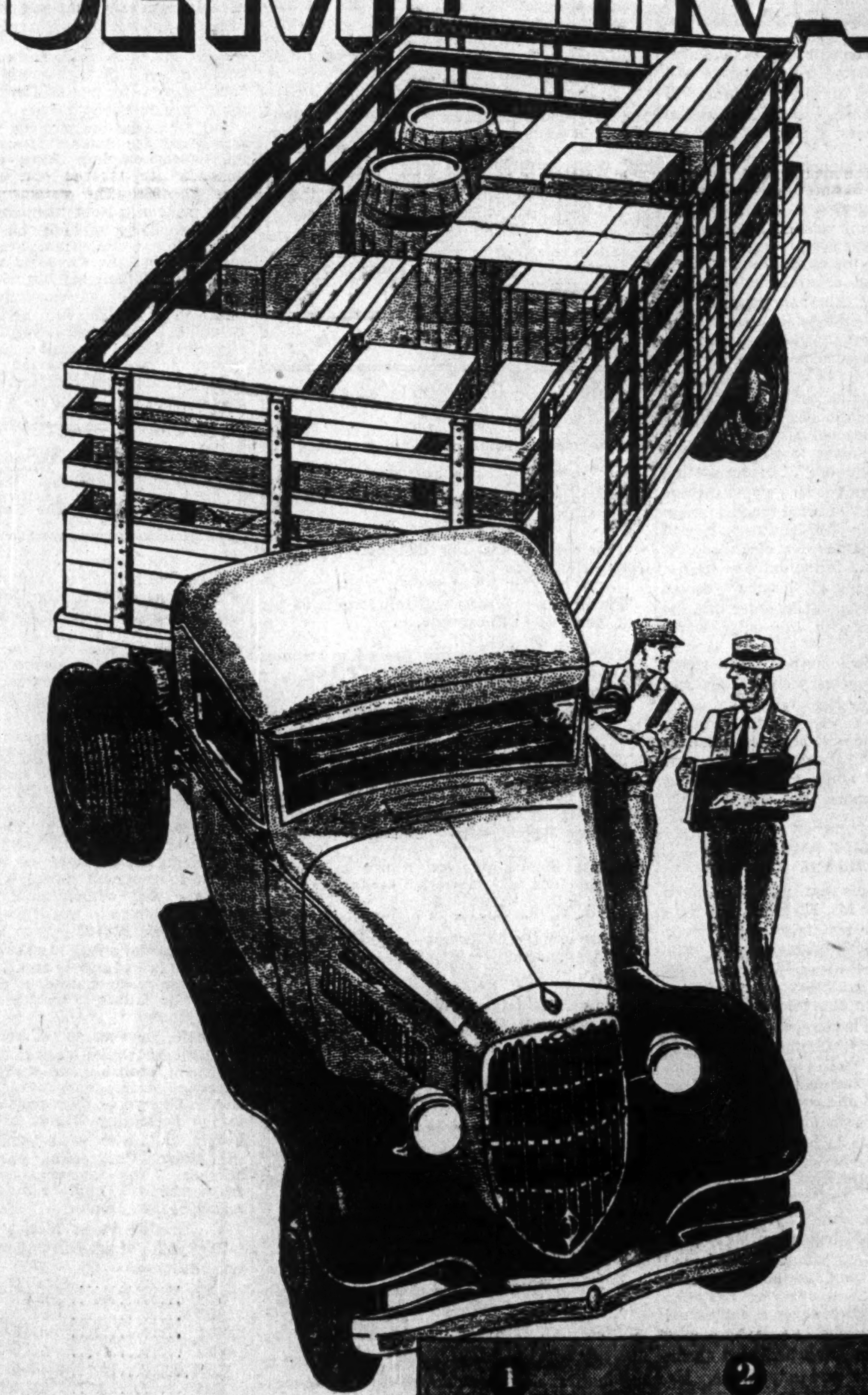
* Offering price.

† Bonds maturing 1930-40 sold privately.

Increased Profits Through Decreased Hauling Costs!

GENERAL MOTORS
(FACTORY-BUILT)

SEMI-TRAILERS

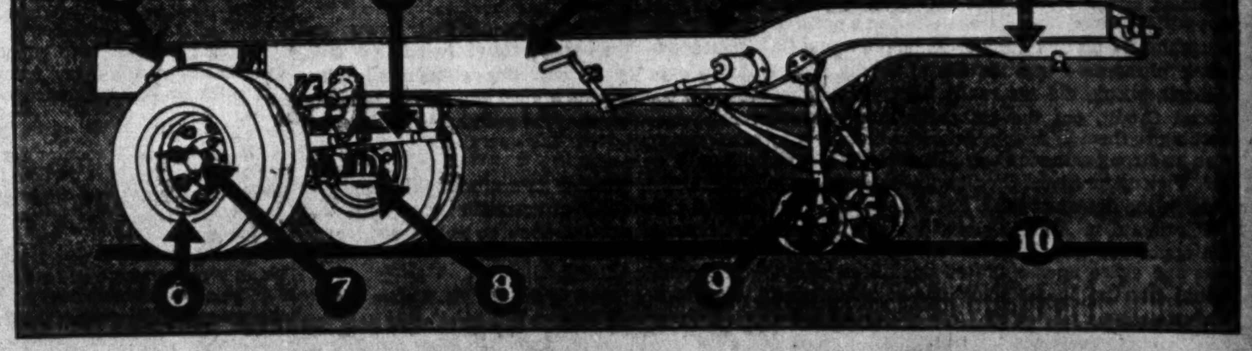


ADD a General Motors Semi-Trailer to a Maple Leaf 2-ton tractor and you have a vehicle capable of hauling a 5-ton payload at the minimum cost per ton. In explanation, a tractor truck can PULL ABOUT 3 TIMES AS MUCH AS IT CAN CARRY! The T.T. 218 General Motors Semi-Trailer illustrated here is so carefully designed that the payload is perfectly balanced over both the tractor and trailer axles. It is truck-built throughout to match the strength of the tractor unit. This means absolute dependability and extremely low maintenance.

We can show you how a Chevrolet 1½-ton truck, or a Maple Leaf 2-ton truck hauling a T.T. 218 Semi-Trailer will definitely increase your earnings by decreasing your operating expenses. We can prove that either of these combinations is the most profitable investment in its respective capacity class. Why not give us an opportunity to talk it over with you and help solve your particular problem . . . today!

MODEL T.T. 218 SEMI-TRAILER

1. Shackles, Bushings, and other Wearing Parts—only truck parts are used, many of them being interchangeable with those on the tractor.
2. Springs—Heavy truck type with 23 leaves of alloy steel, and heavy drop-forged rear shackles. Auxiliary springs are standard. These two-stage springs counteract sidesway and provide easier riding.
3. Frame—One-piece pressed steel side rails with 6 in. drop provide a low loading height and more payload through weight reduction.
4. Cross Members—Heavy duty 8¼ in. full depth cross members assure a thoroughly braced frame which reduces weaving to a minimum.
5. Upper Fifth Wheel—of heavy ⅜ in. steel plate provides the great strength necessary to hold a one-piece forged bolster plate and king pin securely under all driving and braking strains.
6. Wheels—Interchangeable forged 5-stud Spok-steel wheels are standard. Chevrolet 10-stud wheels optional at no extra cost.
7. Axle, Hubs and Spindles—Large 4 in. dia. Timken tubular axle. Truck type hubs and large 2⅝ in. dia. spindles give maximum strength for dual tires.
8. Brakes—17⅛ in. dia., 3 in. wide truck type heavy service design, powered by BK double line vacuum system, are standard. Single line system also available.
9. Supports—Seamless steel tubular type and forged construction. Tubular tie rods, ball bearing screw type operating mechanism of enclosed type and needle bearing mounted operating shaft.
10. Service—Nation wide—because of the high degree of interchangeability in trailer wearing parts with those used on the tractor and because of nation-wide General Motors organization.



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TORONTO, SEPTEMBER 21, 1935

THE ART OF AVOIDING A SMASH-UP

PRIME MINISTER BENNETT made a very pointed and truthful statement the other night. He said:

> "Everything has its normal rate of speed. When that is exceeded, wreck often follows."

So it is with our steady onward advance to social justice. Many think that Mr. Bennett himself was tempted to exceed any reasonable speed when he announced and attempted last winter to put into execution his new deal programme. He offered social legislation as a measure of recovery. It is best regarded as a measure of reform.

Social justice is not unattainable when sought for, planned for, and legislated for over a long term. It is unattainable through emergency legislation. Any attempt to attain it through such legislation must end up in just what Mr. Bennett was talking about—wreckage. And in this case it might be not only wreckage of social justice but of recovery.

It is, of course, absurd for anyone to argue that we cannot, within a couple of generations, achieve the major objectives of even some of the more eager social reformers. We can make it possible for every citizen to be fully educated for his contribution to society. We can make it possible for every citizen to enjoy greater leisure during his working years and to retire early, possibly even before the age of 60 years now so much talked about. We can achieve a fairer distribution of wealth and of buying power and this in itself will give greater security to the capitalistic system. We can give to every citizen a richer, more secure existence, free from the constant menace of unemployment, indigent illness or poverty-stricken old age.

The material resources of the world, and the present economic system are capable of giving us all of these things and more. Waste alone costs us today many times the price of social justice. There is the waste of war and of the colossal expenditures on armaments to be utterly destroyed as they destroy human bodies. There is waste from ill-health and early mortality. There is waste in idle machinery and idle acres.

There is no shortage of natural resources. Scientists estimate that the world could support a population at least four times as great as the present population, simply on the land and natural resources now available. Even our present productive machine does not run full blast. To the extent that it does run, its products are not fully absorbed into consumption, although thousands are starving and millions have a slave standard of living.

So a man may criticize many phases of the Roosevelt and Bennett New Deals, may be sceptical or even contemptuous of the Aberharts, the Stevenses, the Coughlins or the Townsends, and still have a vision of social justice certain to be attained.

Not all the sincere and eager social reformers are radicals or structure-smashers.

STRONG OPPOSITION PARTIES ARE ALTERNATIVE GOVERNMENT

IN HIS challenging new book, "The Democratic Process," Beni Prasad, the famous Indian philosopher, discusses the checks and balances that have been provided in the machinery of democratic governments. He says:

> "Under modern conditions, the checks to the majority in the popular chamber should be sought primarily in the opposition as a ready-made alternative government."

This is a very forceful truth that has a positive application to present-day conditions in Canada and other Anglo-Saxon countries.

Recently we have had in Alberta a somewhat unfortunate evidence of the truth of the statement.

It is hard to believe that the people of Alberta actually voted for the impractical economic programme adumbrated by the fervent reformer who headed the Social Credit party. How then did Mr. Aberhart's government come to power? It was simply because the people had determined to throw the 14-year-old U.F.A. government out of power. The only well-organized opposition group, the only one offering a positive programme—positive despite its bunkum and its catch phrases — was the Social Credit group. Alberta people did not really want to vote for Social Credit, but the old party labels meant nothing to them in their provincial affairs. There was no strong orthodox opposition party to vote for. Victory for Social Credit was simply an incident in the defeat of the U.F.A.

The moral in Alberta would seem to be that the opposition groups should forget their party tags and agree upon a united opposition which would give the people of Alberta an alternative government to rely upon.

* * *

In Dominion affairs the Liberal and Conservative parties still retain sufficient strength to give the country a choice of government, even though there is the minimum of difference between their political platforms. But the problems of the depression and of advancing social legislation have cut sharply across party platforms. The rise of the C.C.F., the secession of Mr. Stevens's group from the Conservative party are evidences that the traditional two-party system is under serious attack in Canada.

It is conceivable that in the next few years, a situation could arise in federal politics similar to that which arose in Alberta. The people might want to throw a reasonably sane but unfortunately inefficient government out of office. Without realizing it, they might put into power a government composed of cheap demagogues or perhaps of well-meaning pedlars of paradise.

It may be that we have in Canada the quality of leadership that will make a fusion of sound forces possible to safeguard the nation against its own mass emotion if such a safeguarding should prove necessary. But even a so-called national government is a second-best thing compared to a well-patterned, well-organized two-party system.

* * *

In the United States, the political dangers presented by the mass emotions of the people are more positive and pronounced than in Canada. There will come a time when the New Deal no longer has great popular appeal, when Roosevelt will lose his great public following, when the people will seek a new government and a new order of controlled progressive reform.

When this time comes—and it may not be delayed very long beyond the 1936 election—there will be urgent need to present the people with an alternative government to be composed of reasonably sane, aggressive and educated political leaders. But they must be a fairly homogeneous, well-organized group.

The difficulty is that the Republican party is still suffering from the uncertainty and shock of its 1932 defeat. It does not know whether to seek its new leadership among the reactionaries of old or among the ultra-progressives who strangely wear the G.O.P. label.

Even the Democratic party has its Right Wing group which has fallen uncomfortably between the schools of Roosevelt Democracy and a sort of Hoover Republicanism.

Such a situation leads to attempts at impossible compromises such as riding at the same time a donkey going west and an elephant going east. It cannot be done, even in a circus.

If there is no well-organized cohesive opposition party in the United States to provide an alternative to Roosevelt, when the people are through with Roosevelt, then the stage will be laid for the advancement to power of men with nothing to offer but an appeal to the emotions, and who will need nothing more than that to win a victory that may be fraught with grave dangers to the whole system.

None of the lessons of the Alberta election is more important than this one; the need for strong opposition parties in every state.

ABERHART'S PLAN CHANGES FROM DAY TO DAY

SOCIAL credit, as expounded by Hon. William Aberhart of Alberta, develops new angles with each new speech and each new interview from the Premier. The Aberhart type of social credit was never orthodox, according to the dogma of Major Douglas. Mr. Aberhart has been more definite and more detailed in the elaboration of his scheme than ever Major Douglas was. As he approaches the time when he must attempt to put it into operation, he will have to take hold of many more embarrassing details and he will probably find that one of the chief problems will be to turn the vague generalities of the Douglas social credit scheme into a practical working financial system.

One of the newest developments in the Aberhart scheme is the plan to make use of Canadian banks instead of setting up a state credit house with branches all over the province. This would enable people to use some special form of check on their own banks, in the expenditure of their basic dividends, instead of drawing upon the provincial treasury. Mr. Aberhart apparently is confident that he can provide the banks with collateral adequate to satisfy them, so that they will meet the drafts of citizens without fear of losing their money.

It is doubtful if Canadian banks can properly share Mr. Aberhart's confidence in the security behind any large additional issue of Alberta bonds. If so, he would have to go back to his original plan of a state credit house posting entries in 400,000 pass books. This would involve the existence of a sort of semi-money, something akin to the "baloney" dollar, along-side of the legal tender of the Dominion of Canada. It would require him to go to the extreme he has threatened of confiscating all income received in the province in legal tender in order that the province's transactions with the outer world could be financed.

Mr. Aberhart impressed most of his listeners in the East as a man of honesty and certainly as a man of sincerity. He has aroused in many circles the hope that as he gets into the practical details of his scheme he will himself realize its utter absurdity and will abandon it as impractical. Any attempt to apply it without great revision must lead to chaos.

AN INDIVIDUALIST AMONG THE POLITICIANS

THE political addresses that have been given in this campaign by Mr. King and Mr. Bennett must be regarded as maintaining the highest traditions of Anglo-Saxon statesmanship. The amenities have been well preserved by the leaders and appeals to the gullibility or stupidity of the electorate have been at a minimum.

Among other political leaders who have helped preserve rugged honesty, simple courtesy and comparative candor in their political addresses is Hon. C. H. Cahan, Secretary of State. His speech of acceptance at the convention of Conservative electors of his constituency in Montreal is valuable not only as a fair record of the last five years of the Conservative regime but as a polished philosophical effort.

Mr. Cahan is much condemned today as a reactionary even among Conservatives. But Mr. Cahan has not asked that legislation lag behind changing conditions in our industrial and social systems. He is merely anxious that we should not postpone or preclude recovery by mistaken policies. He is an intense believer in individual initiative and argues for reliance upon the sound judgment of those who have perfected themselves by long training and experience. Mr. Cahan has faith in our business leaders and believes that most of them use their power and influence for the betterment of their fellow men. He believes that at least nine-tenths of all industry now conforms to ethical and moral standards and he does not want the punishment of the one-tenth to slow down the operations of the nine-tenths.

Mr. Cahan remains an optimist. He sees lying dormant a wealth of scientific knowledge and achievement which is about to be released for the benefit of all mankind, powerful physical forces of incredible utility.

We do not know whether Mr. Cahan or his government will survive this election or not. But we know that his influence has been a steadying force during these five years. We say this despite the fact that we have been critical of many individual phases of his policies just as Mr. Cahan himself has expressed honest disagreement with some of the things The Financial Post has advocated.

"SIC SEMPER TYRRANIS"

ASSASSINATION is almost the only form of protest possible against tyranny or dictatorship. When Huey Long established a dictatorship in Louisiana, he invited attempts upon his life, for only by removing Huey Long from the scene could any patriotic citizen count on quick reform of the intolerable conditions which the Kingfish had imposed upon his state.

It was virtually impossible to voice a democratic protest against Huey Long. He had fixed the courts, the police, and even the election system. Those who opposed him could be arrested by police he had appointed, indicted on charges brought by officials who were under his thumb, and tried before judges who had to do his bidding. There was no assurance even that they could obtain lawyers to defend them, for Huey Long controlled the membership in the bar association. He had in his own hands power to fix or "equalize" the assessment of any individual property anywhere in the state and anyone who opposed him could be punished very quickly and shockingly. To finance his election campaigns he established a system of graft and corruption of almost unprecedented magnitude and made investigation of the public accounts impossible.

When a government has been elected by democratic process and is a representative government, then the people can express their protest against it by voting it out of office and voting another government in. When the government becomes lodged in a single individual who sets up a dictatorship that abolishes all democratic machinery, then the only way to change the government is to change the dictator or throw him out. When the dictator has gone further and attempted to protect himself against any possible danger of being thrown out of office through a public uprising, then he has to take for granted that someone, who cares nothing for his own life or safety, will use the age-old method of assassination of ridding the people of their public enemy No. 1.

And so it was with Huey, the invincible autocrat, who defied people, but was laid low by half an ounce of lead.

JOHN BULL'S HEAVY LABORS

JOHN BULL may complain that he is one of the most heavily taxed men in the world today, but certainly he is not one of the hardest worked.

An expert construction foreman, who recently returned to England after spending a number of years in Canada, writes:

> "This is a terrible country to work in. We stop work at 10 a.m. and again at 3 p.m. and get a cup of tea. They certainly don't know what hard work is."

Post-Scripts

FOREIGN office red tape is blamed for the fluster in British court circles recently.

British court officials had prepared an announcement to be broadcast over British radio stations that H.R.H. The Duke of Gloucester, third son of King George V, had become engaged. The announcement was made over radio stations at dinner-time and released for the next morning's papers.

But earlier that day (to be exact, 11.58 a.m.) news tickers announced the tragic death of Queen Astrid of the Belgians.

According to Time magazine, court officials had received no official intimation of the Queen's death and while they did not doubt she had been killed, it was not until after the announcement had been released that official word came through of the tragic death.

Accordingly, Britishers found themselves guilty of the thing they greatly abhor in others—"bad taste." It meant also that the King was unable to celebrate or permit celebration of the engagement and ordered the court into a fortnight of mourning.

Sayings of the Week

"A blotter is something you look for while ink dries."—*Ed. Wynn.*

* * *

"I salute Mussolini for having unified my country."—*Haile Selassie.*

* * *

"The man most needed today is the man not afraid."—*Channing Pollock.*

* * *

"I neither believe nor disbelieve. I accept God."—*Harold Bell Wright.*

* * *

"Flattery is soft soap and soft soap is 90 per cent lye."—*G. K. Chesterton.*

* * *

"Forced labor has never proved a business proposition in the long run."—*Beni Prasad.*

* * *

"Dividends alone won't make a man happy. I know, because I've spent them."—*Babe Ruth.*

* * *

"The rudeness of the French is more gracious that other people's courtesy."—*Nancy Boyd.*

* * *

"The English have an extraordinary ability for flying into a great calm."—*Alexander Woolcott.*

* * *

"Before the country can return to work it must have the will to work." — *Earnest Elmo Calkins.*

* * *

"There is only one success—to be able to spend your life in your own way." — *Christopher Morley.*

* * *

"Nowhere in human affairs does the element of chance count for more than in warfare."—*Beni Prasad.*

* * *

"A government has no wealth of its own. All it can possibly pledge is its future taxing power."—*Garet Garrett.*

* * *

"Many an author gets a plot for a new novel from the screen version of his last one." — *Walter Winchell.*

* * *

"The moment when the triumphant champions of a cause appear is the moment when the cause itself is melting away."—*Havelock Ellis.*

* * *

"The desire to be more masculine is, strangely enough, stronger in women than in men."—*Dr. Donald A. Laird.*

* * *

"It will be a ghastly tragedy if men are left to find the zest of life outside their principal vocation."—*Beni Prasad.*

* * *

"During the last 1,000 years the whole of our progress has been away from violence; toward the ultimate disappearance of war."—*Havelock Ellis.*

* * *

"If we made it compulsory for all cabinet members to dig in a garden for an hour a day, we should be living in a happier world." — *Beverley Nichols.*

* * *

"It is useless to quarrel with an old man for being a reactionary, and with a very young man for being a revolutionary. Fifty years hence the second will be what the first is now."—*Dean Inge.*

* * *

"Plans which lead away from common sense, which raise the popular hopes to such heights that they become dizzy, which scatter energies that should be concentrated upon feasible progress, do real damage." — *Margaret Culkin Banning.*

The World at Large

France's Dilemma

Britain Forces Laval's Hand in European Crisis

BY JOHN A. STEVENSON

The fateful meeting of the League of Nations, which opened at Geneva last week witnessed an important development in the assumption by Great Britain of leadership. Sir Samuel Hoare, British foreign secretary, when the Italo-Ethiopian question came up for discussion, made it clear that Britain at least intended to stand firm under the covenant of the League.

Early Uncertainty

Yet until the last minute the attitude of the British Government was shrouded in uncertainty. It was an open secret that a wing of the Baldwin cabinet sympathized with the isolationist sentiments so loudly voiced by those inveterate enemies of the League, the Rothermere and Beaverbrook papers. This wing was willing to give Mussolini a free hand. But as the crisis deepened, public opinion in Britain had been showing itself firmly antagonistic to the designs of Italian Imperialism. It was keenly anxious about the future of the League.

The progressive element in the Conservative party lined up with the Laborites and Liberals in favor of a firm stand against Italy's policy. What probably in the end turned the scale was the gradual realization by many influential Conservatives of the Imperialist school of thought that important British interests were directly involved in the Ethiopian affair.

British Interests

Within the bounds of Ethiopia is Lake Tsana and the headwaters of the Blue Nile. If these fell under Italian control, both the Soudan, where a great deal of British capital is invested in cotton plantations, and Egypt, where Britain has important commercial and other interests would be at the mercy of Italy. The latter would then control the sources of irrigation indispensable to the profitable cultivation of the Nile Valley. Furthermore, if Italy were to conquer Ethiopia it is believed she would proceed to create on the Red Sea a formidable military and aerial base and plant an extensive Italian colony in the hinterland.

With such a base available, it would not be difficult for her to block the Suez Canal and cut at least temporarily one of the British Empire's main arteries of communication leading to India and the Antipodean dominions. Even if Italy never took this drastic step, she would be in a position in the event of international complications, to exact compensations for neutrality. No Conservative ministry, which was intent upon safeguarding the structure of the Commonwealth, could afford to be indifferent to these considerations.

But whatever the motives which influenced Sir Samuel Hoare and his colleagues, they have served notice on Italy that the British nation at least are not ready to disregard principles even for the sake of peace. They will not stand idly by while an Imperialist dictator tears up both the Covenant of the League of Nations and the Kellogg pact to which he has subscribed.

The lead which was given by Britain at once evoked a sympathetic response from the smaller nations, including the Scandinavian countries, Holland and Belgium. It is evidently their intention to stand resolutely by Great Britain in defense of the Covenant.

France's Dilemma

The French government took a long time to make up its mind and seemed to waver from day to day in its attitude. Premier Laval labored hard at Geneva to patch up some sort of active method to avert an open breach with Italy because his government was faced with a dilemma.

It is now taken for granted in many quarters that there exists between Italy and France a secret pact for a military alliance, planned mainly for the purpose of frustrating the designs of Nazi Germany upon the independence of Austria. The French would naturally set great store by such a pact if it exists and would know that, if they incurred the wrath of Mussolini by making common cause with his opponents, the agreement would not be worth the paper it was written upon. They visualize Mussolini making haste to throw himself into the arms of Hitler and making a bargain for the joint spoliation of Austria. As an inevitable aftermath of such a development they see the emergence of a solid bloc of Fascist states. To this would belong dissatisfied nations like Hungary and Bulgaria. Such a bloc would soon reduce France's allies, the countries of the Little Entente, Czechoslovakia, Jugoslavia and Roumania to a state of frightened impotence and a rearmed Germany would be in a position to dictate to France and to dominate the European continent.

Here is a gloomy prospect for the French, but on the other hand the last thing they want is to part company with Britain. They realize that, the latter country would prove in the end a much more reliable and formidable ally than Italy for holding Hitler in check.

Britain's Warning

Also, M. Laval could not have failed to take note of the blunt warning given by Sir Samuel Hoare. If the other members of the League did not join Britain in upholding the Covenant, he said, she would be reluctantly compelled to abandon hope in the efficacy of the League and would frame her future policy accordingly. This warning was nothing, if not a plain intimation to France that if she did not stand by the League, Britain would turn to a policy of isolation.

In the end the French saw that they could not afford to see Britain pull out of Europe and the League, Premier Laval, therefore, after delaying his pronouncement of policy as long as possible, declared that his Government would uphold the Covenant of the League and contemplate the enforcement of sanctions.

The Fascist-controlled press of Italy rages bitterly. Mussolini avows that he will not be turned from his fixed purpose of conquering Ethiopia but it remains to be seen whether or not he will dare to challenge the forces that are now arrayed against him. At present the British Government has not committed itself to military sanctions but it is in common with its associates ready to enforce economic and financial sanctions and their application should suffice to stop the impending slaughter and to secure for the League a new lease of life.

Freezing Wage Levels Dangerous

(A reply to "The Worker's View of Industrial Codes")

Editor, The Financial Post:

I read with interest your reprint of the Canadian Countryman's editorial views on the effect of the Ontario Industrial Standards Act on the farmer. I also read the reply of William Dunn, member of the Carpenters' Advisory Board, Industrial Standards Act in the Sept. 14 issue of The Post.

Storing Trouble

With the present up-swing of business, it is quite probable that such trades as come under the application of the Industrial Standards Act would stand to benefit, but by freezing wage levels into a statute we are laying up a store of trouble which in the next down-swing of business will without any doubt surpass the mess in which we found ourselves in 1932-33. It is simply another case of trying to sidestep the economic law of supply and demand by a man-made statute, a process doomed to failure if history counts for anything.

I write, however, to call attention to a little known but most important document, probably one of the most important ever penned by a politician in Ottawa. I refer particularly to the Dissenting Report of E. J. Young, M.P., who was a member of the "Royal Commission on Price Spreads." The following excerpts are pertinent, I think, to the points raised by Mr. Dunn:

Decline Farm Wealth

"Net value of agricultural production in Canada:

1928	$1,501,000,000
1929	1,034,000,000
1930	860,000,000
1931	538,000,000
1932	475,000,000
1933	464,000,000
1934	525,000,000

"Average decline in income for 6 years: $851,000,000.

"If all the farmer's expenses had declined as rapidly as his income, his purchasing power would not have been affected by this sudden decline in the dollar value of his production. He could still have bought the same quantity of goods on the lower price level as he had formerly bought on the higher level, and the production and distribution of these goods would have given just as much employment and distributed just as much purchasing power to those employed as ever it did.

"But the farmer's expenses did not come down. His taxes did not come down. His interest did not come down. Retail prices did not come down. Manufacturers and merchandisers did everything in their power to maintain the prices of their wares. The government lent its aid to this short-sighted policy by shutting out cheap imports that might have forced a reduction in the prices of manufactured goods.

Burden of Taxation

"Attention should be called to the increasing part taxation plays in the cost of living. Nearly one-third of our national income goes to pay taxes. More than half of these taxes are concealed in the prices of the things we buy. The demand for more and more government service is insistent—but it all has to be paid for, and every additional expenditure on the part of the government must be followed by an increase in retail prices, by a widening of the price spread. Our people would do well to remember these things when asking for further government services.

"When one considers that one-third of our total national income is collected in taxes by the various taxing bodies, and when one considers how little we get for that third as compared with what we get for the other two-thirds, one is forced to the conclusion that there is more extravagance and inefficiency in government than there is in business. Under the circumstances it would be the height of impertinence for governments to assume that efficiency could be promoted or waste eliminated by letting them regulate business.

Price Parity Essential

"We have studied the problem of the small merchant and the large merchant, of the manufacturer and the wage-earner, of the stock raiser and the fisherman, of the export industries and the domestic industries, and we have found that the same problem is common to them all. It is the problem of finding buyers for their wares. Buyers cannot be found because the disparity between prices of primary and of secondary products makes it impossible for primary producers to purchase the goods or the services of other classes. The remedy lies in restoring that parity."

E. L. P.

Toronto.

Stop Me If You've Heard This One

Mrs. MacTavish — My little boy has just swallowed a ten-dollar gold piece.

Neighbor—Gracious, is the child in danger?

Mrs. MacTavish—No, thank goodness, his father's out of town.

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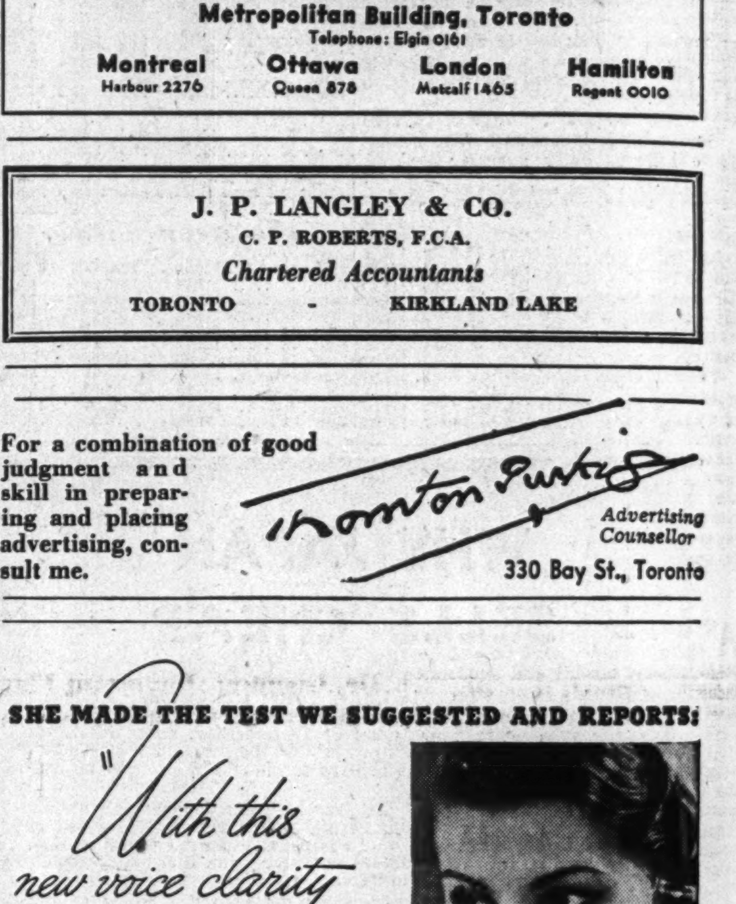
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The Week in Business

A Logical Move

IT APPEARS that Winnipeg's bread war will soon be decided one way or the other. A board of investigation was appointed this week to enquire into charges of unfair trade practice, and if these charges are substantiated the government will take action. On the other hand, to quote Premier John Bracken: "If it can be shown that a loaf can be baked and sold at 3½ cents without breaking any labor laws or sanitary regulations and without any unfair trade practice that would adversely affect the public interest in other directions . . . the government will not interfere."

Even before the present price cutting campaign, Winnipeg was believed to have the lowest bread price of any Canadian city. And that price, nine cents for two one-pound loaves, was set under a gentleman's agreement following a price war last October.

Winnipeg bakers evidently believe in casting bread upon the waters, but returns, that is, profitable returns, are a matter of very grave doubt.

* * *

The New Order

ON THE occasion of launching a new motor coastal vessel by the Dundee, Perth and London Co., Sir Charles Barrie, chairman, stated that the 100-year-old company now had a new type of vessel, at least so far as engines were concerned. First, they had sails, then paddle steamers, then screw steamers, and now they have their first motor vessel. The present venture is of an experimental nature, and if results are favorable, more vessels of the same type will be constructed. "To those who are concerned with the production of coal," said Sir Charles, "the building of so many vessels with motors is not too encouraging a prospect and it must give industrial Britain food for thought when it is found that half the tonnage owned in this country is now driven by oil and not by coal.

"But the world of commerce never stands still. Let those who deplore the building of motor vessels instead of steam reflect that the farmer might as well complain that motor cars cover the country and that if horses were still to be raised he could have sold more hay and oats. All these matters will be settled by the stern facts of economic laws and we must go with the times or be left behind.

"The building of vessels with motor engines has had the effect of making those who build steam engines look to their laurels with the result that today we have much more economical engines than we used to have. Indeed it is a hard race between steam and motors for the economy stakes. All this is good for trade."

* * *

Want Information

AN INTERESTING development of the recent convention of the confectionery, biscuit and chocolate industries of Canada is an effort to meet the need for more informative figures on the activities of the industry. With this end in view, the association is endeavoring to secure the co-operation of the Dominion Bureau of Statistics in obtaining monthly reports. These would deal broadly with both production and sales figures, if these can be obtained, of the larger firms which do about 90 per cent of the business. An official of the Bureau was in attendance at the convention when the proposal was discussed and officers of the association are optimistic that progress will be made.

* * *

Many Happy Returns

THE Western Union will inaugurate on October 1 a flat 25-cent rate on birthday telegrams between any two points in the United States. The sender will choose from a list of some 30 standard greetings a message which suits his particular taste. At least one of the Canadian companies has a similar proposal under advisement at the present time, but as yet no definite decision has been made.

The suggestion has been made that "chiseling" business firms find in this a further opportunity to economize. For example, a company could devise a code whereby the various greetings would serve as routine reports from salesmen. Even then one doubts if "I could not get the order" would be made more acceptable to those at head office if couched in the endearing terms of birthday congratulations.

Cash Crop Prospects Indicate Fair Yields

Tobacco, sugar beets and canning crops constitute an important source of cash revenue to the farmers of southwestern Ontario and also along the north shore of Lake Ontario in so far as the last named crop is concerned. Indications point to only fair return this year. While tobacco is largely anticipated as very satisfactory, less than a normal crop of tomatoes at low prices is reported.

Contrary to early expectations the Ontario sugar beet crop is now estimated at from 15 to 20 per cent below normal. In southern Alberta where sugar beets are produced on irrigated land, good yields are expected.

Background of Business

Buy Better Clothes

Higher Grades Gain—Hotel Rumors—Wallpapers and China

Increased revenue by most Canadian men's wear stores and factories are traced not as much to larger volume but to a better grade of clothing. The average sale in retail stores has increased in some cases by as much as 50 per cent. Volume of business on medium grades in the factory output is greater by far than last year, while volume on the lower priced grades has decreased in every case. Figures quoted by one prominent manufacturer recorded an increase of 80 per cent in sales of his best grade, and of 33 1/3 per cent on his medium-priced grade; on the lower priced stock, sales had fallen off to a mere 15 per cent of last year's total.

Predict Hotel Changes

There is a strong likelihood that a radical change in the Ontario Inn Keepers' Act affecting all hotels in the province will be made this fall, according to rumors from the Ontario Hotel Association and the Ontario Liquor Control Board. Last February, the Hotel Association drafted a long list of amendments to the existing act and presented them to the Liquor Control Board. The Board, however, did not have the power to pass upon the suggestions which were offered. It is now understood that if Premier Mitchell Hepburn calls a session of the Legislature in November, a revision will be considered.

While no definite information is as yet available as to the exact nature of the amendments, it is known that they will bear on matters of municipal taxation of hotels, fire regulations and sale of beer and wine. The larger hotels will be affected to a greater extent than smaller establishments.

Colorful Papers

With the introduction of 1936 designs, wallpaper manufacturers have definitely declared war on cheap papers. For the past five years, there has been a gradual decrease in the amount of wallpaper bought and the prices paid for it. In this connection the president of one of the larger companies blames the reduction in buying power evidenced through the depression and an effort to maintain volume which hastened the price decline. A third factor has been the increasing volume of plain undistinctive papers which have attracted lower prices on account of their similarity.

In a strategic move to recapture public fancy, color will feature the 1936 output. Hundreds of designs from Europe, United States and elsewhere have been checked over in the selection of patterns which, it is hoped, will appeal to Canadian home owners. They are in brilliant contrast to the previous simplified effects.

Generally speaking, wallpaper manufacturers are optimistic that the coming season holds a "new deal" for the trade in the matter of public acceptance. Recent surveys in the United States show increased expenditures for wallpapers by apartment houses and home owners. Spring sales are said to have been the greatest in years with noticeable attention given to better quality papers. It is believed a similar awakening to the possibilities of color and design as shown in the 1936 lines, may reasonably be expected in Canada.

Recent increases in apartment rents have stimulated the demand, tenants becoming more reconciled to the raise when decorating has been promised.

China Swamps West

Delayed shipments of summer and fall chinaware, now arriving in Canada, are swamping western retailers. These shipments, which come to Western Canada from England via the Panama Canal, met with considerable difficulty in connection with labor troubles at the coast a short time ago. Many shipments were returned to Europe because no port would unload them.

A leading Calgary dealer reports that chinaware floor space has been increased by 30 per cent to take care of the circumstances. Encouraged by a brisk consumer demand, even in the higher price brackets, merchants are providing special features to move this stock.

War Scare Hoists Rope

Three price advances have been made on a number of lines of manila cordage since the beginning of August, in all amounting to 2½ cents per lb. This is the largest increase in years. The hemp market is described as having literally gone wild as a result of the Ethiopian war scare. Heavy purchases ostensibly for war purposes are reported. While no definite explanation has been offered it is suggested in one quarter that these army purchases may have been made in the expectation of tieing up large batches of prisoners.

Canadian farmers purchase large quantities of twine and rope annually for use in harvesting operations. This year the sale of rope for this purpose has been particularly heavy on account of a big crop of grain harvested. A huge quantity of rope and twine is also absorbed by the shipping industry.

Movie Come-Back

Dr. Giannini, Important Financial Backer, Foresees Big Growth — Says British and Europeans on Toes

Dr. A. H. Giannini, chairman of the general executive committee of the Bank of American National Trust & Savings Association of San Francisco, expresses the view that the amusement industry in North America and abroad is at the beginning of another period of growth. His view is generally respected as he is believed to have more confidential information about the inside affairs of the large moving picture companies than any other United States banker.

Dr. Giannini was one of the first financial backers of Walt Disney's Mickey Mouse and Silly Symphonies, of Hal Roach, of the Cohens of Columbia, Louis Mayer productions, Sam Goldwyn and many others. He financed Joe Schenck and Varryl Zanuck in their first production when they started 20th Century two years ago.

He says of this, "we loaned millions through the depression at regular rates and kept their studios open and other banks all over the country refused to assist. During the last five years we never lost a dollar on film loans."

Dr. Giannini's view is that other bankers in the past went into the industry in the wrong way. He recommends a straight banking service of lending on films as they would lend on steel, cotton, dry goods or any other commodity at regular interest rates.

He expects rapid recovery of the industry in the United States. He has just returned from Europe where he has been conferring with important film interests. All Europe, he says, is more interested in the movies than ever before. Inferior American films will not have as good a chance for distribution but the good productions will be taken as eagerly as before. The British will seek the American market for their own feature films and therefore are keen on reciprocity.

How international capital is progressing in the film industry may be seen from his statement that London Films, one of the principal city's film companies and backed by the Prudential Life Insurance Co., has just become the fifth partner in United Artists along with Chaplin, Pickford, Fairbanks and Goldwyn. Alexander Korda and Sir Connor Guthrie have joined the board of directors to represent their interests.

New Products

Dish-Glasswasher—especially designed for use by every type of public eating place and handling as high as 150,000 pieces of glassware per month, has been announced by Canadian General Electric Co., Ltd.

Air-Cooled Car—to be manufactured by Franklin Motors Inc., Detroit.

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PILE UP CHEESE BUT EGGS DOWN IN COLD STORAGE

Government Policy Favoring Cheese Production — Egg Price Factor

Butter down slightly, cheese up and eggs substantially less summarizes the cold storage situation at the beginning of September as estimated by the Domonion Bureau of Statistics.

Butter stocks are only slightly lower than a year ago at this time which reflects the poor pasture conditions prevailing in Eastern Canada during the month of August. Early in the year, there was a substantial gain in production largely the result of good forage conditions in the western provinces where drought prevailed in 1934. This improvement, however, was offset by a late summer drought in Ontario and the other eastern provinces where dairying is an important phase of agriculture.

Cheese Up

The piling up of cheese stocks, a gain of over 1,000,000 lb. being reported at September 1, 1935 as compared with the corresponding period a year ago, is probably explained by the new cheese subsidizing policy adopted by the Dominion Government this summer. Under this plan, producers expect a more profitable and stable price at least so long as the plan is approved.

No plausible explanation presents itself for the substantial decrease in the amount of cold storage eggs at September 1, 1935, unless it is that the lower price which prevailed in the early part of August encouraged consumption. The revival of tourist traffic which is an important factor in egg consumption during the summer months, may also have had something to do with it.

Sharply higher prices for eggs from mid-August on may result in a decrease in consumption and a corresponding increase in storage.

Figures in detail are as follows:

Cold Storage Holdings

	Sept. 1 1935	Sept. 1 1934
	lbs.	lbs.
Butter	13,784,000	14,067,000
Cheese	21,112,000	19,881,000
	doz.	doz.
Eggs*	2,215,000	3,870,000

*Cold storage, not including fresh or frozen.

Agriculture Increases

The total area of agricultural land occupied in England and Wales in June, 1935, was 30,350,000 acres, compared with 30,454,000 acres in 1934, a reduction of 84,000 acres or 0.3 per cent according to a report just issued by the British Miinstry of Agriculture. The area returned as under crops and grass was 24,948,000 acres, a decrease of 82,000 acres or 0.3 per cent.

Commodity Prices

	Latest week	Previous week	Same week last yr.
Cattle	$7.35	$7.10	$6.00
Hogs	10.25	10.00	9.50
Copper, lb.	.08½	.08½	.09
Cotton, lb.	.1065	.1070	.1295
Rubber, lb.	.1118	.1143	.1520
Sugar, raw, lb.	.0350	.0345	.0286
Silk, lb.	1.91	1.85	1.15
Wheat (Man.) bus.	.91¼	.88¼	.82¾
Coffee, lb.	.06⅝	.06⅝	.09¾
Weekly Indices			
N. Y. Annalist	127.9	126.1	120.7
Fishers'	85.1	84.5	†80.2
N. Y. Journal of Comm.	81.3	81.7	77.7
Crumps (Brit.)	65.5	64.9	65.4
U. S. Labor	80.4	80.5	77.8
Canada (D.B.S.)	71.5	71.4	72.1

† Average 1934.

Monthly Indices	Latest month	Prev. month	Same last year
Canada (D.B.S.)			
Retail (Aug.)	79.4	78.8	78.5
W'sale (Aug.)	71.6	71.5	72.2
U. S. Labor (July)	79.4	79.8	74.8
Gt. Brit. (June)	68.1	68.6	65.3

Note: Indices on all base 1926 = 100. British index is Economist converted to 1927 base.

Base of price quotations is as follows: cattle—steers, good, over 1,050 lb., top price, Toronto: copper—electrolytic, New York: silk—Japanese, 13-15, New York: sugar—96 degrees centrifugal c/f New York: wheat—No. 1 Man. North., Ft. W. Pt. A. basis; hides—heavy native steers; select bacons, Toronto.

Business Indicators

Boots and Shoes—Although for the first time this month production of leather footwear fell below that of the preceding month, the July total of 1.73 million pairs was 30 per cent over that of the same month last year. The decline from June was only two per cent. Cumulative production for the first seven months of this year is more than 16 per cent ahead of a year ago.

Newsprint—Of a total North American output 310,760 tons in the month of August, Canadian mills accounted for 235,573. This represented a very slight increase from the previous month, but an increase of 19,000 tons from July, 1934. Shipments from Canadian mills during the month amounted to 225,736 tons. At August 31 stocks were 73,507 tons, a decline of almost of 10,000 tons for the month.

Leading Indicators as Compiled by The Financial Post

▲Denotes new figures this week.

WEEKLY DATA	Latest		Cumulative Total Jan. 1 to date	
	1935	1934	1935	1934
Transportation—				
Car loadings (Aug. 31)	▲44,673	47,679	1,550,564	1,543,489
C.P.R. gross earn. (Sept. 7)	$ ▲2,460,000	$ 2,751,000	$ 81,050,000	$ 81,607,000
C.N.R. gross earn. (Sept. 7)	$ ▲3,127,368	$ 3,194,469	$ 112,356,416	$ 110,216,909
Business Conditions—				
Weekly index D.B.S. (Sept. 7)	▲102.4	100.5	......	......
MONTHLY DATA				
Business Conditions—	1935	1934	1935	1934
Financial Post index (July)	103.4	98.6	......	......
Transportation—				
C.P.R. net earnings (July)	$ 1,526,181	$ 1,511,481	$ 7,588,200	$ 9,565,894
C.N.R. net revenue (July)	$ 1,121,381	$ 688,445	$ 3,300,446	$ 5,066,986
Iron and Steel (July)—				
Pig iron production (tons)	50,513	36,759	310,290	194,586
Steel ingots and castings prod. (tons)	86,101	66,647	474,264	464,169
Automobiles (Number)—				
Passenger Car:				
Domestic sales* (July)	6,249	5,506	62,982	49,606
Factory output (July)	9,471	8,407	99,798	75,491
Trucks and Buses:				
Domestic sales* (July)	1,109	1,126	12,113	7,885
Factory output (July)	3,598	2,707	24,537	17,607
Exports (July)	5,105	6,598	38,683	30,509
Construction—				
Building permits (July)	$ 4,266,224	$ 3,257,470	$ 28,895,295	$ 13,668,847
Contracts awarded (July)	$ 18,549,240	$ 11,190,500	$ 94,143,700	$ 72,107,200
Newsprint (tons)—				
Production (Aug.)	▲235,573	216,164	1,754,742	1,686,055
Exports (July)	219,461	212,845	1,383,009	1,353,298
Sugar (lb.)—				
Melting & shipments§	99,797,793	100,372,675	482,070,793	404,299,272
Manufactured§	95,073,668	95,041,690	479,441,404	411,448,713
Flour (bbls.)—				
Production (July)	992,340	1,072,747	7,126,448	7,673,418
Wheat flour exports (July)	395,232	406,028	2,638,217	2,941,639
Trade (July)—				
Imports	$ 48,414,397	$ 44,144,509	$ 306,786,790	$ 291,534,359
Exports	$ 56,239,187	$ 56,121,112	$ 356,504,336	$ 345,780,174
Wheat exports (bush.) (July)	9,158,035	12,979,231	54,163,556	77,700,575
Employment, D.B.S. Index—				
All industries (Aug. 1)	101.1	99.9	......	......
Manufacturing	99.8	94.2	......	......
Electric Power Output (July)—				
Total monthly (000's omitted)	1,790,546	1,708,632	13,170,299	12,083,016
Aver. daily	57,759,000	52,300,000	......	......
Other Industrial Indices—				
Lumbering:				
Plank & Board exports, mill (July)	101,926	140,000	689,091	767,659
Boot & shoe prod., pr. (July)	▲1,728,192	1,333,807	12,392,432	10,641,179
Crude petrol., imp. gal., (July)	133,650,600	116,883,335	576,275,333	545,038,318
Cotton imports, lb. (July)	9,912,771	8,280,941	60,964,630	60,905,066
Raw rubber imp., lb. (July)	2,954,800	5,442,703	32,894,567	36,422,867
Coal imports, tons (July)	1,432,749	1,545,787	6,578,735	6,746,709
Finance—				
Bank debits (July)†	$ 2,545,102	$ 2,767,400	$ 17,761,238	$ 18,210,112
Bond sales (July)	$ 62,407,233	$ 68,252,100	$ 343,449,574	$ 258,434,159
Life insurance sales (July)	$ 32,155,000	$ 33,951,000	$ 213,712,000	$ 222,036,000
Automobile Financing—				
Used cars (July)	$ 2,109,499	$ 1,714,419	$ 13,582,085	$ 8,725,391
New cars (July)	$ 2,531,943	$ 1,910,377	$ 16,664,529	$ 11,550,351

*D.B.S. All-Canada figure comprising over 90% of the Canadian total.
†000's omitted. §For 4 weeks to Aug. 10.

Canadian Sales Almost All Cars Above Last Year

Motor car sales in Canada in the first seven months of this year have been materially higher than last year in practically all makes. The only exceptions are Buick, Hudson, Studebaker and three of the high priced models. Ford holds a lead over the Chevrolet, which is next in line and whose sales are more than twice that of Plymouth, Chryslers heaviest selling make.

Comparative figures for the first seven months of 1935 and 1934 are as follows:

Automobile Sales in Canada

Passenger Cars	1935	1934
Ford	18,982	11,609
Chev.	13,564	12,378
Plymouth	6,422	5,052
Dodge	5,876	4,703
Olds.	4,189	2,040
Pontiac	3,634	1,737
Terraplane	1,843	1,585
Chrysler	1,492	1,305
Studebaker	823	850
Buick	779	1,714
Hudson	762	828
DeSoto	561	189
Graham	550	504
Packard	486	85
Hupmobile	352	188
Nash	236	165
Lafayette	217	42
Reo	113	86
LaSalle	107	58
Auburn	63	63
Cadillac	57	75
Pierce Arrow	7	19
Lincoln	6	10
Total	61,427	45,715
Commercial Cars		
Ford	4,828	2,833
Chev.	3,688	3,019
International	1,463	746
Dodge	990	858
G. M. C.	626	424
Total	12,555	8,630

NEWS FROM ABROAD INDICATES PROGRESS

Increased Business Activity in Most Countries

Summary of the week's foreign news, as compiled by Commerce Reports, Washington, as a whole indicates progress.

Australia — Increase in factory production and construction continued in August. According to semi-official estimates, manufacturing in 1934-35 will show an advance of 9 per cent over the previous year. Rainfall in the next four weeks will largely determine wheat yield.

New Zealand—Business has been stimulated by the firm tone of the London dairy market. As compared with the same period in 1934, the first half of this year recorded a decline in exports and a rise in imports. Higher imports are attributed to improvement of stocks which were insufficient to cope with increasing business.

China—In the first seven months of this year, imports were higher by 7 per cent and exports lower by three per cent from last year. Beginning this month, 250,000 yen will be reserved monthly from railway profits as a fund to float the second railway construction loan of 30 million yuan.

Brazil — Freedom from political and labor demonstrations brought August business activity back to the high level of June. No recession is apparent in any of the key industries.

Ecuador—August trade was considered satisfactory. Retail sales were fairly brisk and merchants continued to enlarge stocks. Foreign trade continued active, although exports have been somewhat lower than a year ago.

Philippine Islands—Most commodity prices are strong, notably copra, coconut oil, hemp and rice.

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Dual Management

Canada Permanent Mortgage Appoints C. S. Robertson and J. A. Rowland Joint Managers—Careers Sketched

The Canada Permanent Mortgage Corporation is once more under dual management. Back in 1906, John Massey and R. S. Hudson took over the reins, and guided the company wisely and well until death broke up the combination in 1922. Following the passing of George H. Smith recently, the appointment of Charles S. Robertson and John A. Rowland, K.C., as joint general managers was announced last week. The corporation now shares with the Bank of Montreal the distinction of being the only major financial institutions in Canada with this type of direction.

Division of Responsibility

While no definite allocation of duties has been made as yet, it is considered probable that management will be on a similar basis to that of the 1906-1922 period when Mr. Massey had charge of the Ontario branch and Mr. Hudson the outside branches. Mr. Robertson is expected to continue as head of the Ontario division, through which almost two-thirds of the corporation's business is transacted, with Mr. Rowland assuming responsibility for the other branches.

The new managers have a number of characteristics in common. Both are quiet and retiring with no trace of the domineering or arrogant attitude which the public usually associates with the successful executive. Both have been expert lawn bowlers, and both are described as extremely popular.

One-Company Man

Mr. Robertson, born in Toronto 57 years ago, is essentially a one-company man. Back in the late nineties he laid aside thoughts of a university training and joined the firm of solicitors for the old Western Canada Loan and Savings Co. as a junior. When this company was taken over by the Canada Permanent Mortgage in 1900, Charles went along. He climbed gradually to the post of assistant manager of the Ontario branch under Mr. Massey, and on the latter's death in 1922, became manager. Eleven years passed by before he was elevated to the office of assistant general manager, still retaining control of the Ontario branch. And now he has realized every office boy's dream of some day rising to the chief executive position in his firm.

Having been so closely linked with the Ontario end of the business for so many years, it is not surprising that he is very well known throughout the province in the mortgage field. His wide popularity is vouched for by one of his associates who told The Financial Post: "I have never met anyone who did not like him."

Good Sportsman

In his youth he was an all round athlete. As he began to tire of more strenuous sports, he turned to lawn bowling, and more recently to golf. He is very reticent about anything concerning his personal prowess, but others have spoken of his ability as a bowler. He holds the unique record of having won the Globe Scotch doubles three times; and when he grows old he can recall with pride the two occasions on which he represented his country in matches with England. One is led to consider whether there may not be some association of ideas or technique between lawn bowling and the loan business. Mr. Rowland, too, has been an ardent bowler, and has also had the privilege of playing for Canada against England.

C. S. ROBERTSON

Having turned his talents—Mr. Robertson rather doubts the accuracy of that word in this connection—to golf, it is claimed that he there retains some of his skill as a lawn bowler. Apart from business he finds time to engage in the activities of the Scarboro Golf Club, the National Club, the Royal Canadian Yacht Club and the Canadian Lawn Bowling Club.

Mr. Rowland's Dossier

Mr. Rowland's dossier was covered in The Financial Post less than three months ago, on the occasion of his appointment to the general managership of the Canada Permanent Trust Co. Briefly, it was this: Born in Ontario county; graduated from the University of Toronto in 1896; interrupted his law course for a year to teach classes at the University of California; spent a year in legal work at the Pacific Coast under Hon. Joseph Martin, one-time premier of British Columbia; returned east and in 1905 became a partner in the law firm of MacDonald, Garvey and Rowland. He was elected a director of the Canada Permanent Trust and the Canada Permanent Mortgage in 1928, and was appointed general manager of the former institution in June of this year.

J. A. ROWLAND

Curling and lawn bowling are the chief diversions of Mr. Rowland, and he is credited with being a top notcher at both. He is a prominent Mason, and is much in demand as a public speaker.

No Change Expected

It is not expected that the change in management will involve any radical departure in the policies of the company, at least not in the immediate future. The Farmers' Creditors Arrangement Act he terms a "nuisance" and a "costly business."

Queried in regard to the new Housing Act, Mr. Robertson was of the opinion that business under this legislation might be attractive if the interest rate were higher. The rate which has been set, he feels, may be quite fair as measured by the existing level of interest rates, but prevailing rates five years hence may be at a considerably higher level. For this reason, he says, it is difficult for an institution to tie itself up with long term loans at a low rate of interest.

Tobacco Sales Plan Approved by Ottawa

The Burley Tobacco Marketing Scheme has been officially approved by Ottawa upon the recommendation of the Dominion Marketing Board. It is expected to function immediately and will apply to the good crop now being harvested. The scheme relates to the marketing of burley tobacco grown in Ontario, and is, in most respects, similar to the Flue-Cured Tobacco Marketing Scheme.

There has been a lack of any coordinated action in marketing which has led to most unsatisfactory returns to the producer, according to the Dominion Marketing Board, which believes that improved conditions will result from the operation of the scheme. By a system of crop appraisal and the providing for negotiations between producers and buyers it is contemplated that price stabilization will be achieved.

The local board will consist of fifteen members representing Burley associations, packers and manufacturers. There is a provisional board named to hold office until the local board is elected in October. Head office will be in Chatham.

Bond Salesman's Confessions Lay Bare Investment Illusions

Successful Security Merchandiser Must Start as Student and Gain Investors' Confidence by Performance

By HENRY JAMES BIRD

There is no substitute for experience in any business, but perhaps this applies more to the successful distributors of investment securities than any other business in the world. The security salesman is the medium of distribution of the investment house. He, consciously or unconsciously represents the policy, wise or unwise, honest or otherwise, of the house with which he is associated.

Young people are inclined to be impressionable; only in later years do they suddenly awake to the fact that everything they are told is not exactly founded on fact, and that what they read is not always accurate. In other words, at about the age of 30 to 35, the young business man has finished his business adolescence.

I would not have it understood that I am a cynic, or that I am disillusioned, but I believe that a mixture of Missouri'ism—demanding to be shown the proof — with some faith in man's essential honesty is the ideal mental equipment for the young man launching out on a career of finance. In other words, let him hold as his maxim forever: "all that glitters is not gold."

Qualifications Required

One of the first questions one might ask or look for in a work of this kind is: "What are the qualifications of the successful security salesman?" Based on some year's experience of pounding pavements, ringing doorbells and being thrown out of some of the best offices, I would say that the following qualifications, in the order of their importance, are necessary:

1. Honesty—"You can fool some of the people some of the time," but don't try to fool yourself or your firm.

2. Hard Work—There is no substitute for this quality. The successful securities salesman must think, eat and sleep his work.

3. Self Confidence—This can only be acquired by the knowledge that one is doing a good job well—that he is serving his clients' interests first, last and always.

Must be Student

4. Knowledge—Obviously this can only be acquired by diligent study of financial subjects. The bond salesman who does not keep abreast of daily developments in the financial world, is of no use to himself, his clients or his firm. He is just a pedlar—he carries no weight with a business man or retired investor unless he can convince him or her that he knows more about his subject than his prospect or client.

This is the most common fault of securities salesmen. They are not investment advisors, they are "salesmen" in the old-fashioned sense of the word, merely relying on their ability to out-talk, bully, or high-pressure their prospects into submission. These are known as "one-sale" men—they cannot hold the confidence of their clients.

5. Deportment—The well-dressed, courteous, refined securities salesman nearly always enlists the confidence and respect of investors, but, curiously, this quality is not wholly essential. The writer has seen some of the most unprepossessing types make good.

Learn by Experience

One cannot start his business career with ready-made experience; that important qualification has to be acquired the hard way. How long it takes depends on the make-up of the individual. Some people keep on making the same mistakes over and over again. The business world has no place for them—they will eventually wind up in the discard, along with the rest of the world's misfits, who were either too stupid or too stubborn to "learn by experience."

The distribution of investment securities is the finest and most fascinating business in the world for the honest young man. For the young man who can't think straight it is sometimes an easy racket (while it lasts and until he is found out).

Two Branches of Business

In my opinion, there are two distinct and separate phases of the securities business.

First, the wholesale underwriter, whose business is to purchase large bond or stock issues for sale to a group of investment dealers or brokers. The interests of this firm primarily lie with the borrower, be it a corporation or government. This type of investment house may fairly represent the interests of the investor, either public or private.

Second, there is the "retail" investment dealer who buys at wholesale from the underwriter, does no underwriting himself and buys in the open market those securities best suited to his clients' requirements. It has been my policy for many years to make no commitments for my firm's account but to buy only for the account of clients after careful investigation of the security. In other words, he acts as "broker," rather than "dealer," (or security merchant). His only stock-in-trade is his good-will, knowledge of investments and the service he is able to render the investing public.

Salesmanship and the Investor

It takes some years for the average securities salesman to realize that he, in order to best serve the investor, should represent his client first. In this way he is able to study his client's requirements according to his or her individual requirements. These requirements are necessarily different according to the individual circumstances of the investor.

A widow obviously must consider safety of principal primarily and all hopes of capital appreciation or profit, as well as high yield, must be secondary.

A business man or woman, earning a steady salary, or income from a business corporation, which is sufficient for all living requirements, may venture a step farther afield in the investment world. He or she may look for a slightly higher yield or income from investments. Capital profits or appreciation may be more important to this type of investor than immediate income.

Wheat and Chaff

A business person, through his contact with daily business affairs, financial publications, and trade information, is especially equipped to become the ideal investor. Many investors of this type, however, fail to take heed of fundamental business conditions when making investments and consequently fail to obtain the desired results.

A professional man or woman is the most vulnerable class of investor. He, or she, as a type is more gullible, less informed and emotionally unsuited to manage his or her business affairs. This type usually buys wild-cat stocks or highly speculative bonds, with hopes of fabulous profits or unusually high income, with the usual disastrous results.

Retired Investor

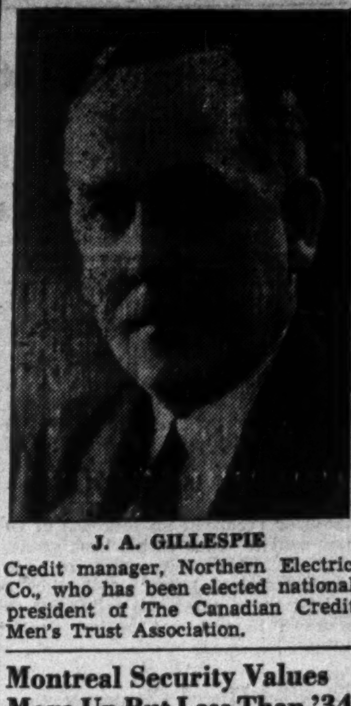
The retired class of investor offers the most lucrative field for the security salesman. This type of investor is usually the most intelligent. While he may not be educated, he generally has a shrewd, natural business ability and the gift of handling money wisely. Hence he is retired and living on his capital, accumulated from his own business, of which he has made a success. He has plenty of time to discuss securities, analyze security offerings and enter into leisurely conversation with the representative of whatever investment house he happens to patronize.

Thus by perceiving that his profession is not merely "selling" bonds or stocks, but a fascinating study of human nature, of character analysis and of financial topics, he becomes, after the first few years, diligent, intelligent and sincere, a worthwhile asset to his community, a manager of idle capital which would otherwise find its way into promotion schemes, wild-cat oil stocks, and like sink holes.

Author Bond Dealer

Henry James Bird, author of this article, is a partner in a Vancouver investment firm, Bird & Talling. Mr. Bird started in the financial business as an ordinary garden variety bond salesman. In these "confessions," he tells of actual experiences in selling securities to investors. He shows how the interests of the investor should be those also of the bond salesman. More of his "confessions" will appear in early issues of The Financial Post.

Heads Credit Men



J. A. GILLESPIE

Credit manager, Northern Electric Co., who has been elected national president of The Canadian Credit Men's Trust Association.

Credit Men's Trust Has Annual Meeting

At the annual meeting of the Canadian Credit Men's Trust Association in Toronto last week, J. A. Gillespie, credit manager of the Northern Electric Co., Montreal, was elected national president. Others elected to the national board were as follows: A. L. McWilliams, Kelly, Douglas & Co., Vancouver; J. G. Cotter, Johnson & McDonald Ltd., New Glasgow; W. E. Davison, J. H. Ashdown Hardware Co., Winnipeg; A. M. Venables, North Star Oil, Ltd., Calgary. A. S. Crighton was re-

Walker Salt Corp. Offers $50,000 of 6½% Bonds

Walker Salt Corp., Port Franks, Ont., is offering a closed issue of $50,000 of 6½ per cent first mortgage bonds through C. D. Scott & Co., Toronto.

Purpose of the issue is to purchase additional equipment and to retire bank loans incurred for capital expenditures. The company has a capital of 250,000 no par value common shares of which 70,695 are outstanding.

The company produces, refines, and distributes domestic and commercial salt. It owns a newly constructed plant. Active operations were only started in the early summer of 1935.

Montreal Security Values Move Up But Less Than '34

From Our Own Correspondent

MONTREAL. — Value of stocks and bonds traded on the Montreal Stock Exchange and the Montreal Curb Market amounted to $6,670 millions up to August 31, an increase of $38 millions over a month ago, but a decline of $81 millions as compared with a year ago.

The value of industrials, public utilities and industrial bonds, all registered small increases reflecting the trend of the market, while bank stocks, mines and government bonds showed lower aggregate values.

The ratio of brokers' loans to the value of all shares traded was 0.42, unchanged from July 31, and lower than a year ago when the ratio was 0.52.

Can. Industrial Alcohol Buys Into U. S. Outlet

From Our Own Correspondent

MONTREAL. — Canadian Industrial Alcohol Co. has purchased a block of shares of the Oldtyme Distillers Inc., New York, and has obtained an option on a further amount.

This transaction has been effected with a view to obtaining an outlet in the United States for the company's products, and officials are hopeful as to the benefit to be derived from the new arrangement.

Popular Half-Ton
INTERNATIONAL
Model C-1

Bakers, laundrymen, dairymen, retailers, and many others are cutting delivery costs with this low-priced 6-cylinder, Half-Ton International.
Two wheelbase lengths: 113-in. and 125-in.

Quality Leader in 1½-ton Field
INTERNATIONAL
Model C-30

The ALL-TRUCK chassis shown here with ultra-modern stake body is the lowest-priced 1½-ton 6-cylinder unit in International history.

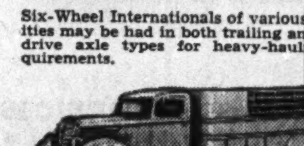
Turn *any* hauling problem over to the *FULL LINE* of INTERNATIONAL TRUCKS

Tens of thousands of men are doing just that today — *investing* their transportation dollars in International Trucks, for the soundest of practical reasons.

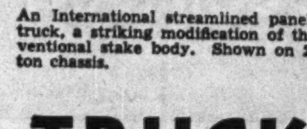
Apply the International solution to your hauling problems—*whatever they are.* International Harvester is at your command with a complete line of trucks ranging from sturdy Half-Ton units in the low-price field up to powerful Six-Wheelers for the heaviest hauling.

Consult the nearby International branch about any regular or *special* need for truck chassis and body equipment.

International Tractor-Trucks are available in many sizes. World's largest Company-owned truck service organization (230 branches in United States and Canada) make International favored truck with cross-country haulers.



Six-Wheel Internationals of various capacities may be had in both trailing and dual-drive axle types for heavy-hauling requirements.



An International streamlined panel-stake truck, a striking modification of the conventional stake body. Shown on 2 to 3-ton chassis.

INTERNATIONAL HARVESTER COMPANY
HAMILTON of Canada, Ltd. ONTARIO

INTERNATIONAL TRUCKS

Flash!

1935 Western Crop will be More Valuable in Dollars and Cents

Than Any Other Crop for the Past Five Years!

Here Are the Figures

.. The value of the western crop was arrived at by using the figures given in the Winnipeg Free Press crop survey. This survey embraced reports from 350 resident Free Press crop reporters located in strategic points throughout western Canada. To these were added personal reports from members of the Winnipeg Free Press agricultural staff who had made extensive tours of inspection throughout the three western provinces. In this way the probable grading of the crop was arrived at. Noted for the surprising accuracy of the September estimate of the yield these reports have been a Winnipeg Free Press feature since 1904. The following is the basis of valuation—

WHEAT—274,764,000 bushels. Fort William price 74c (taking price for average minimum grade, less 17c average freight haul. Net price to average farmer 57c per bushel	$156,615,000
OATS—295,000,000 bushels. Fort William price for average grade 30c. Allow 9c average freight haul. Net price to average farmer 21c per bushel	61,950,000
BARLEY—73,600,000 bushels. Fort William price for average grade 35c. Allow 10c average freight haul. Net price to average farmer 25c per bushel	18,400,000
FLAX—1,600,000 bushels. Fort William price for average grade $1.25. Allow 17c average freight haul. Net price to average farmer $1.08 per bushel	1,728,000
RYE—12,800,000 bushels. Fort William price for average grade 35c. Allow 14c average freight haul. Net price to average farmer 21c per bushel	2,688,000
Total purchasing power to western farmers from grain alone	$241,381,000

The following figures are based on present prices and have been arrived at in consultation with agricultural experts who have covered the Western Provinces by personal tours, and who are familiar with the probable grading in the western districts. The probable minimum grade has been used in each case. Allowance was also made for railway freight charges. The figure for 1935 represents the net value of the western crop as at present prices, to the farmers at elevator shipping points:

1935 grain crop	$241,381,000

Value for previous crop years (Dominion Government totals for wheat, oats, barley, flax and rye):

1931	$159,195,000
1932	$158,524,000
1933	$170,043,000
1934	$223,055,000

The increased value comes especially from:

1. Coarse grain crop — much the best crop for several years. The purchasing power of the western farmer has been tremendously increased because of an abundance of fodder and feed grain crops.

2. Increased prices. Although the wheat yield is down in comparison to 1932, for instance, it will mean more in dollars and cents. That year wheat prices for No. 1 Northern went as low at 39⅝ cents per bushel. This year the minimum price of No. 1 wheat has been SET by the Federal Government at 87½ cents per bushel.

Note—These figures do not include other farm revenues, such as poultry, dairying and livestock, etc. Prices on all farm commodities are up approximately 21% over last year.

This New Buying Power Means Increased Sales to Advertisers Who Concentrate in the Key Newspaper of the West.

The Free Press has the greatest circulation of any daily between Toronto and Vancouver, and is the only medium that offers adequate coverage in the city of Winnipeg.*

* The city with the greatest per capita retail sales index of any large Canadian city. (See Financial Post Business Year Book of 1935).
* The city that dominates the most extensive trading area in Canada.

There is only one medium that goes into the majority of Winnipeg homes.

WINNIPEG FREE PRESS

78 per cent greater circulation than any other Winnipeg daily.

Lowest milline rate.

Your Investments

What We Do:

1. Give information on Canadian securities to enquiring subscribers by early mail.
2. Publish anonymously on this page letters of general interest.
3. Supply an enquiry service of fact rather than of opinion.

What We Don't Do:

1. Answer enquiries of non-subscribers.
2. Answer enquiries on United States or foreign securities.
3. Reply by telephone or telegraph to enquiries.
4. Select lists of securities; express opinions; forecast the future.

Three-cent stamp must be enclosed. Write mining and insurance enquiries on separate sheets. Address the editor, The Financial Post, 481 University Ave., Toronto.

International Power

Among my holdings are a few shares of preferred stock in International Power Co. As I am now checking over my investments, I would like to hear from you as to the merits of this security?

International Power Co. has been handicapped in recent years by unsettled foreign exchange. This company owns a number of foreign properties located in Newfoundland, Venezuela, Bolivia, Porto Rico and elsewhere. At times it has been difficult to secure funds from the operating properties, while exchange losses have been particularly heavy. The exchange situation, however, has strengthened in the last year. The financial position of the company also has been improved by the refinancing carried out a short time ago which permitted a substantial reduction in bank loans. These loans were undertaken some time ago in order to help finance development of one subsidiary property. Generally speaking the position of the company has improved in the last year and a half as is evidenced, in part, by the interim dividend payment resumption on the preferred stock.

Mersey Paper

I read your story on the newsprint situation in a recent issue of The Financial Post and as I hold a few of the general mortgage bonds of the Mersey Paper Co., I would like to have your views on the position and outlook for this company.

Mersey Paper Co. operations have been conducted at capacity for some time, but the low price of newsprint has made for limited earnings. The company has covered bond interest consistently. Prospects of the company, on the other hand, are better now than they have been for some time. The manufacturers have settled their differences of opinion on the allotment of tonnage and the hope is held out that a higher price will be secured on deliveries of newsprint during 1936. There is no definite assurance of this, as negotiations with the publishers will not commence for some weeks. The situation, however, is strengthened from the manufacturer's point of view and it is hoped that a more reasonable price will be secured for newsprint. In that event earning power of Mersey Paper Co., as well as that of the other Canadian and American operators, should show strengthening.

C. P. R. 6's

Do you think that the conversion privilege attaching to the Canadian Pacific Railway's 6 per cent bonds of 1942, will have any value over the next three or four years?

You put forward a difficult question. What you want to know in effect is whether or not the common stock of the C.P.R. will sell at $25 or better in that period. Unfortunately we cannot see so precisely into the future. Last year the Canadian Pacific was able to record an improvement in its earning power, net income available for dividends being sufficient to cover the preferred dividend leaving a small margin available for the common stock. For the first half of this year the company reports a decline of $2 millions in operating revenue. Prospects are that the volume of traffic for the last half of the year will be somewhat better than a year ago, but in view of the decline already recorded, it is doubtful if the company will be able to show larger earnings on its ordinary stock than was the case in 1934.

We incline to the view that it would be better for you to regard your holdings in the Canadian Pacific as a straight investment providing a good return, rather than putting too much hope on the possibilities of the conversion privilege having a high value in three or four years' time.

Soya Mills Ltd.

I should like to know the condition of Soya Mills, Ltd. Who are the men behind the company and what are the prospects for the growing of soy beans in Canada?

Soya Mills Ltd. is as yet a venture which has to prove itself. There does not seem to be a great doubt that the company can find a market in Canada for its products: meal, oil and flour made from soy beans. The chief problems are whether the company can finance itself into production and whether its operating costs will be sufficiently low to enable it to make a profit.

T. D. Bell & Co. is at present selling preferred and common shares in the company. Proceeds, we understand, are to be used to pay off about $10,000 of liabilities for capital investment and to provide working capital with which the company can buy beans and carry on operations. At the present time the company owns a mill building in Stratford in which some machinery is now in use. All old milling machinery has been taken out of the building and is being sold. Cash now on hand from such sales reduces the net amount of liabilities below the $10,000 mentioned above.

The company has ordered and will install new milling equipment purchased in England, said to be of the most modern type. So far as we know, milling of soy beans with machinery devised particularly for that work has never been tried in Canada. Soy bean milling was tried recently in Milton, Ont. It was not successful and expert opinion, we understand, was that the chief reason for the lack of success was that the wrong type of equipment was being used.

We are informed by the president of Soya Mills, Ltd., Thomas D. Bell, that the Stratford mill should be in operation before November. The company's board of directors includes H. P. D. Trickey, formerly with Allis-Chalmers Company, who is said to be an expert in all kinds of milling machinery and in particular with machinery in connection with soy bean milling; Dr. V. J. Oswald, who is also a director, became acquainted with soy bean milling in Austria during the war. Other directors are J. F. Young, who is a mining engineer, and T. H. Davey, who was formerly western manager for Canadian film firms. Mr. Bell, the president, was for some years chief parole officer for Ontario.

The immediate problem of Soya Mills, Ltd., is to raise sufficient capital to carry it through the first year which ends next May 31. Soy beans can be purchased in United States and need not necessarily be obtained from Canadian farmers. Canadian production, however, is looked upon as a potential source of supply. The crops have been grown in Ontario with moderate success, and it has been already demonstrated that Ontario farmers are prepared to grow them if fair prices are assured.

One point must be taken into consideration by the investor in this or any other small new company. There would be little or no market for the shares for some time.

We will be better able to tell in another year whether the company can make a profit.

Niagara Wire

What is the chief product of Niagara Wire Weaving Co.? Is this company doing well?

Chief product of Niagara Wire Weaving Co. is wire mesh cloth or screening made under Canadian patents for inventions of Hamilton Lindsay. This fine mesh screening is an essential part of paper-making machines.

The company's net profits in the last year were $164,000, the highest since 1930. There is no funded debt and no bank loans have been shown in annual statements. Finances are highly satisfactory and earnings are being well maintained.

Imperial Oil

Is Imperial Oil common a good stock for me to buy? I want safety and also some reasonable permanence in dividends.

Imperial Oil has been one of the most successful of Canadian companies, both before and during the depression. Part of the large dividends being paid recently must be considered as bonus, and not regular. Nevertheless, expectations are that the company will consistently pay dividends, although bonus payments should probably not be expected in the future as often or as large as they have been in the last two years.

Algoma Steel

I recently sold my shares of Algoma Steel Corp. for $20 each and wonder whether I should have done so. What do you think?

Shares of Algoma Steel Corp, that you sold were issued this year in exchange for the first and refunding mortgage bonds. The bonds were formerly worth about $10 per $100. This would mean an approximate price of $20 each for the new common shares.

Because there is no active market for the shares, and because the company has only been operating under its new set-up for a few months, it is impossible to forecast whether the common shares will be a satisfactory investment. The company has been very busy lately, and has been working on some substantial rail orders. It will be clearer at the end of this year whether the company is going to be able to make a profit.

Loblaw Decline

Why have Loblaw class A shares, been declining? Is there any major adverse influence at work?

The Loblaw situation has not deteriorated materially. The company expects good fall business, but has not earned its dividend by any too wide a margin. Since profits have declined slightly, although sales have risen, this gives reason for the decline of the class A shares. There has as yet been little or no serious discussion of a possible reduction of the dividend.

Asbestos Corp.

Will you please advise me as to the present and possible future worth of a general mortgage bond of Asbestos Corp. Ltd., also one of the company's first and refunding mortgage bonds.

Your Asbestos Corp. general mortgage bond is exchangeable, $1,000 par value for 15 shares of new common stock, selling between $15 and $16 a share.

Your refunding mortgage bond is exchangeable par for par for new 6 per cent general mortgage income bonds and one share of common stock. The new bond sells around $80.

The company has been reorganized by approval of all security holders. You should make arrangements to exchange your holdings for the new issues.

United Fuel Preferred

Do you think United Fuel preferred will be able to resume dividends on the 6 per cent basis inside three years.

It is impossible to predict what the next three years will bring forth for United Fuel Investments. It is a holding company and derives its revenue from ownership of securities of Hamilton By-Products Coke Ovens, United Gas and Fuel Company of Canada and the United Suburban Gas Company. Recent consolidated statement showed that after paying interest on bonds of subsidiaries and its own bonds, the preferred earned $2.73 a share in 1934 and $2.38 a share in the year ended March 31, 1935. The full six per cent dividend has not been paid since 1931 and the last dividend was paid in 1932. Arrears are now over 25 per cent. Working capital seems adequate.

Earnings results have been obtained in spite of the fact that the coal code in the United States increased expenses for supplies very materially. These increased expenses were swollen as well by the action of the Dominion Government in reducing the drawback of duty on coal manufactured into coke from 99 to 50 per cent unless 35 per cent of the coal is of Canadian origin. Because it is located at Hamilton, it is economically precluded from buying its coal in Canada. Its only way to meet the increased expenses was to increase the price of coke. That decreased sales and made it easier for imported cokes to compete. Gas sales increased to industrial, residential and commercial customers. Appliance sales were also larger.

A change of governmental policy in two countries might therefore affect the company's fortunes materially. But that is unpredictable at present.

Ford of Canada

I am considering a purchase of Ford of Canada common stock. Is this a safe buy? Are the prospects good for continued dividends on a reasonable basis?

Ford of Canada does not pay dividends regularly. The company has been doing well in its domestic and export trade. The last dividend was paid last May 28. The company's earnings have fluctuated widely in recent years. Provided the company continues its success of the last year, earnings for both 1935 and 1936 might be of substantial and stable amount.

Standard Timbers

Will you kindly give me any information about Standard Timbers as an investment?

Standard Timbers Ltd., Toronto, is offering $250,000 of 7 per cent preferred stock in shares of $100 each at par.

The company was formed in 1930, and is engaged in importing B.C. timber to Ontario. The timber is conveyed by the Panama Canal, and this water transport is said to allow low costs.

For five years, the company has been financed with private capital upon which it has earned a substantial return. Officials state they could obtain a larger volume of business if there were more capital in the enterprise. Hence, the offering of preferred shares. The company would use the money chiefly to increase its inventories of B.C. timber to supply a larger portion of the demand in central Ontario.

The purchaser of the shares must face the fact that if he buys them there is not likely to be an active market for the stock.

The company owns dock and waterfront property in Toronto of about 3¾ acres, part of which, when not in use by the company, has been rented profitably to large coal importers. While the enterprise is understood to have been profitable, carried on at a moderate scale, it is impossible to foretell exactly whether it will be just as profitable on a larger scale.

Power Corp.

Kindly let me have your opinion on the common stock of Power Corp. of Canada. I would also like your views on the investments held by this company.

Power Corp. of Canada's financial statement for the fiscal year ended June 30, 1935, showed a small gain in income and a decline in value of holdings. Unfortunately we are not in a position to give an adequate opinion on Power Corp. stock as the management does not give out particulars of its holdings. Practically all the major investment trust or holding companies now divulge particulars of their investment portfolios. Power Corp., at one time, did give its shareholders a list of holdings but has not done so for three or four years. Until such information is available, it is out of the question to give anything like adequate data on the investment merits of the company's securities.

Dominion Stores

Is Dominion Stores common a satisfactory investment for stable yield? What is the company's position?

Dominion Stores is not paying a dividend at all at present. The company has been undergoing an internal reorganization due to unsatisfactory profit experience in the last year and a half. How this will work out cannot be foretold. There are expectations that the company may once again be able to earn and pay dividends. The company's liquid position is good.

Mining Enquiries

Island Mountain Gold

I would be obliged if you could let me have a report on Island Mountain Gold Mines, British Columbia and also your opinion as to whether this would be a good stock to buy.

Island Mountain Mines, subsidiary of the powerful Newmont Mining Corp., has been giving a consistently good account of itself since production started last November. As you probably noticed in The Financial Post of August 3, net profit for the first six months amounted to $47,446 after all charges. The average recovery for the period was $21.13 per ton. Unless something untoward occurs advances owing to Newmont Mining Corp. should all be paid off by the end of this year.

As at Dec. 31, reasonably assured ore reserves were estimated at 37,250 tons with an average grade of 0.72 oz. gold per ton. The property which is in the Quesnel Mining Division of British Columbia has seen business-like development at the hands of men whose record as far as we are aware has been clean. Nearly all of the authorized capitalization is outstanding, the stock, we understand, being closely held.

Haslake Ducklake Mines

I am the owner of about six thousand shares in Haslake Ducklake Mines. If you are able to obtain any information on this firm will you please advise me as to whether they are now in operation and what the prospects for the future are.

If you have any information as to the value of the shares I would appreciate this information also.

Our records show that Haslake Ducklake Mines Limited is defunct having surrendered its charter in 1933. The company held lead, zinc, gold and silver properties near Schreiber, Ontario, which never demonstrated commercial possibilities. We assume, therefore, that the stock has no present worth.

Hollinger Consolidated

A consistent reader of The Financial Post, I would appreciate your brief comment on the Hollinger Consolidated situation. I have frankly become alarmed at the declines which this stock has shown recently, as I am a heavy shareholder. A word, reassuring or otherwise, would be appreciated.

The long term outlook for Hollinger Consolidated Gold Mines is still as good as it ever was. The yield, at current market prices, on this stock is somewhere in the neighborhood of 5.14 per cent. While this is not as high as the yield on some dividend paying gold mines, a glance at the ore picture of Hollinger and its record in the past illustrates the stable position in which this company finds itself.

There appears to be little doubt that the reason for the current decline in this stock is an exaggerated fear of taxation. You probably are aware that this company, along with other mining companies subject to the bullion tax has been forced to pay both this tax and the increased corporation income tax for the first five months of 1935.

It is confidently expected by observers that earnings for the second half of this year should show a material increase over earnings for the first half which amounted to about 45c. per share after payment of all taxes.

Bidgood Consolidated

As a subscriber we should like to have your opinion as to the property, management and prospects of Bidgood Kirkland Gold Mines Limited.

A client of ours holds 4,000 shares of treasury stock purchased at 45 cents a share. Is there any market for it and about at what price?

The outlook for Bidgood Kirkland Gold Mines has not been particularly bright since Premier Gold Mining Company dropped its option some time early in June. Premier assumed this working option in February of this year. Under the terms of the option, Premier was to take down treasury shares of Bidgood at 13 cents per share covering such expenditure as was necessary to carry on development work. Premier's withdrawal from the option was on the ground that it would cost $300,000 to acquire a 60 per cent interest in the mine and that too long a time would be necessary for Premier to secure the return of its money by way of dividends. During the currency of the option, Bidgood officials state approximately $13,000 was paid off Bidgood debts. At the present time, therefore, the total indebtedness of this company should be in the neighborhood of about $66,000

As for the property itself, capable management has failed to turn it into a profitable operation to date. As reported recently in The Financial Post, the company reports finances arranged with an unnamed New York group.

At time of writing there appears to be a market for this stock at around 3½ cents per share.

Nugold Mining Corp.

Kindly give your advice as to the investment opportunities in the Nugold Mining Corp. properties—the Blockhouse—Dome Mine, Nova Scotia, and subsidiary properties, Porcupine Property—Matachewan Property—Tashota Property.

As you probably read in our August 17 issue, Nugold Mining Corp. is at present concentrating on its Nova Scotia property acquired early this year. These properties, particularly the former Blockhouse Dome Syndicate, are old properties. On the Blockhouse where development will be centred, former operators have done considerable work including the sinking of two shafts to 200 and 110 ft. respectively. The record of this property has not been particularly startling but there is always the possibility that under good management and high gold prices the property might become a small profitable producer. It is still, however, a speculation.

As for the Ontario properties at Tashota and Matachewan, no development work is being done other than that necessary to keep the property in good standing. That these properties are still only prospects is evidenced by the fact that no tangible results have been obtained as yet. Some interesting mineralogy has been uncovered but cannot be considered significant until the existence at depth is proved.

Undoubtedly any attraction which Nugold has lies at the present time in its Nova Scotia properties where officials of the company inform The Financial Post it is hoped to start actual mining operations in a month or two. The company has issued no recent financial statement but in a statement issued in January it was stated that the company had no important outstanding liabilities and at that time had about $14,000 in cash.

Rackets

Associations

MANY Canadians have marvelled at the growth of rackets among laundries, cleaning establishments and other very legitimate industries in United States. The undisputed fact that in most cases the victims themselves are responsible for the origin of the rackets only adds to the reader's bewilderment. Like the early Constantinople Christians who actually invited the first Turks into their European territory for defence against an invading "Christian" army, the American racketeers have usually been asked to come into the industry which they now dominate.

The so-called business rackets all operate along pretty much the same lines and practically all got their start in the same way. A price war starts and there is no law strong or quick enough to stop it. The merchants or shopkeepers unable, apparently, to get together for their own good, take the fatal short-cut of inviting in the underworld leaders.

Swift results follow. With the help of shyster lawyers, membership contracts are drawn up in an association supposed to represent the industry involved. These contracts are usually lawproof. Initiation fees and monthly dues in some cases, actually a percentage of the gross receipts, are paid.

Well supplied with funds, the organizer now begins to stabilize the industry. A tradesman or shopkeeper who doesn't join the association finds his place soon uninhabitable. Chemicals may be dropped on his goods. His drivers or messenger boy may disappear. Windows may be broken, or even his own nose by some athletic stranger who pays him a personal visit.

Bill For Bombing

In one actual case investigated in New York during the stabilization of a local cleaning industry, one of the non-members received a bill for $1,760 after his establishment had been bombed. It later developed that this was the cost to the association of the bombing job which was listed on the books under the term "disbursement."

Unfortunately for the authorities, such rackets are very hard to investigate. Naturally, the members of the association now thoroughly familiar with the methods employed by the secretary or members of executive committee are not talkative. In some cases, too, they are satisfied so long as the business permits them to pay heavy dues and still be ahead of the old game where cut-throat competition prevailed.

In any event, it is very difficult to find out just who is behind the association, the connection between the association and any acts of terrorism or interference and finally membership contracts are usually proof against all legal action.

So far in Canada no rackets of this type have been disclosed although there have been murmurs of price fixing and lobbying associations which come rather close to the fringe.

CANADIAN SECURITIES

Dominion and Provincial
Government Bonds
Municipal Bonds
Public Utility
and
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DOMINION SECURITIES
CORPORATION LIMITED
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"CANADA PERMANENT" has had and fully merited the confidence of many thousands of investors, no one of whom has at any time in that long period experienced the slightest delay in the receipt of funds to which he was entitled.
FOR 80 YEARS
"CANADA PERMANENT" has not only effectually safeguarded but has been of material assistance in increasing the savings of prudent and thrifty citizens.
FOR 80 YEARS
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Head Office: 320 Bay St., Toronto
Combined Assets Exceed $100,000,000

THE
ONTARIO LOAN AND DEBENTURE CO
LONDON, CANADA
Established 1870
Assets over $14,000,000
3% PAID ON DEPOSITS 3½% ON DEBENTURES
Archibald McPherson, President. T. H. Main, Manager.

EARNSCLIFFE
LINEN BOND

"Earnscliffe" is a paper background that adds a message of quality and character to the nameplate on a letterhead. This fine rag-content paper is, also, an excellent choice for Insurance Policies, Notes, Contracts, etc. "Earnscliffe" will safeguard your records.

Specify "Earnscliffe" to your printer.

Made in white and 8 business-like colours.

This watermark identifies Superfine Linen Record, Rolland Antique, Earnscliffe Linen Bond, Empire Linen Bond, Colonial Bond, Mount Royal Bond, Service Bond, Rockland Bond, and other fine papers.

ROLLAND
PAPER COMPANY LIMITED
High Grade Paper Makers since 1882
MONTREAL, Que.
Mills at St. Jerome, Que., and Mont Rolland, Que.

New Issue $190,000 September 14, 1935
GREY NUNS OF THE CROSS, OTTAWA
(The Community, General Hospital, Alms House and Seminary of Learning of the Sisters of Charity at Ottawa, Canada)
3½% non-callable bonds
fully subsidized and payable principal and interest by the
PROVINCE OF QUEBEC
out of the Public Charities Fund
Dated: October 1, 1935 Maturing: October 1, 1936 to 1955

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$8,000,000 for Votes

Average Cost for Each Vote Cast on Election Day Will be $1.60 —Organizations Find Difficulty in Securing Funds for Campaign

By WILLIAM B. ROSS

In more ways than one, business men will be well aware by this time that elections cost money; are not won by prayers.

By public appeal and by private canvass the various political parties have been seeking in the fifth year of the depression to fight clear of the fate of Old Mother Hubbard. They do not use the cupboard of the nursery rhyme: the receptacle of campaign funds is more frequently termed as a "war chest." It is quite obvious at Ottawa that the party war chests, while not bare, are not full and it is equally true that the 1935 election is proving that in politics as in other kinds of business, the good old days are gone.

No Easy Money

To show how far gone they are, it may be recalled that Gen. A. D. McRae, Conservative organizer in 1930, made the statement in the Senate recently that the two older parties last election spent, between them, $4,000,000. It was divided about evenly.

Today, it appears, dollars in 1935 are hard to come by with the result that the political organizations are said to be nearly at their wits end, and the harassment of individual candidates is declared to be without parallel.

Probably $2,000,000

Reports declare that the third parties—Reconstruction and C.C.F. —have had some success in collecting small amounts—$1 per head—from individuals. The older parties, too, have received substantial sums from lifelong adherents—sums sent to party headquarters without solicitation. By and large, public solicitation has never been operated successfully by political parties. Always they have had to rely upon the wealthier among their adherents.

But while hard times have extended a numbing, paralyzing hand over this campaign, it appears that total expenditures in the 1935 campaign will exceed the outlay in 1930, probably by as much as two million dollars.

In 1930 the two older parties spent four millions. The electoral machinery cost slightly over a million. The third party and individual candidates brought the total up to six millions. There were five million voters in 1930 and 3,898,995 ballots were cast. The total cost per vote, therefore, was about $1.70.

$8 Millions Outlay

This year there are just short of six million voters and the total outlay will be eight million dollars. There will be approximately five million votes cast and the average cost will be $1.60.

The eight millions will comprise four main items. The two old parties will run their campaigns with just about half the money they used five years ago. Two millions is said to be the roof of the outgo by Conservatives and Liberals. The Reconstruction and C.C.F. parties will spend approximately $500,000, of which the former will have the lion's share. Individual candidates, who will number about 1,000 (averaging slightly more than four to each seat), will find about $1,500,000. The taxpayers will pay the balance of four million dollars. This huge sum will go for the preparation, printing and distributing of the electoral lists, and for the electoral machinery. The division, it is stated reliably, will be about even.

Increased Expenditure

The activity and expenditure of the state on elections has increased rapidly in recent years. The purpose, undoubtedly, has been to take some of the strain off party war chests. In maintaining permanent voters' lists, Parliament has made a great contribution to all political parties. The cost, this year, will slightly exceed two million dollars. The job was entrusted to Col. L. T. C. Thompson, son of Sir John Thompson, (successor to Sir John A. Macdonald in the premiership) and judging by the universality of praise and blame bestowed upon him by all parties, he is handling the task successfully. Col. Thompson has engaged, as permanent officials, registrars in each constituency, and each of them requires clerical and other assistance during the period when the voters' lists are being revised. From 700 to 1,000 persons are employed, temporarily or permanently, in this way.

Electoral Machinery

Then there is the electoral machinery which is under the control of Chief Electoral Officer Jules Castonguay. This machinery involves the hiring of returning officers in each constituency together with deputies and polling division staffs—several thousands of persons in all.

While the electoral machinery costs real money only in an election year, the activities of Col. Thompson and his staff continue year in and year out. Hereafter it will be his job to see that up-to-date voters' lists are always available. Thus it will be possible to cut the duration of election campaigns in half (a substantial saving to the country) and to relieve party organizations of costly activity in supervising the pre-election revisions which used to be made.

Longer Campaign

Premier Bennett, it seems could have shortened the present election campaign by at least three weeks. He failed to do so it appears not because the voters' lists were not complete but for reasons of strategy which seemed good to him. By reason of this annual expenditure on voters' lists it is possible to complete a campaign in 28 days instead of from 55 to 60 days.

The public seems to have but the foggiest idea of where election money goes. Many people point to national radio hook-ups and private cars as evidence of political prosperity. These, however, are but the chicken feed of campaign expenditures. A national hook-up costs $2,000 and possibly another $500 is spent in advertising it. A private car for a whole campaign will run to only a few thousand dollars.

The real money items are the "grants" or allowances to candidates and the huge outlays on printed propaganda. When leaflets and booklets are run off by hundreds of thousands, the printers' bills begin to reach worrisome proportions.

Assistance Given

Party candidates are given assistance by the older parties according to their needs. Rural seats usually rate about $2,000. Some of the urban seats, particularly in the large centres, run to $60,000 and $75,000. This year the difficulties besetting urban candidates are greater because polling day will follow moving day (Oct. 1) and tens of thousands of voters if they are to cast ballots will have to travel quite long distances. Usually they don't do this unless transportation is provided both ways.

The election act, of course, prohibits this but no one ever has believed the law is effective. There is no check on the "gift" of cars by party supporters and no way of proving if the "gifts" are bona fide. It has been alleged that money is sometimes used for plain bribery or the buying of votes. This also is illegal. It was last charged against Liberals in the Yamaska election of 1930. The Liberals countered with similar charges against Conservatives. Vote buying on the larger scale, by public works carried on at the taxpayers' expense, is still a popular and morally stainless form of campaigning. But the dictum of Sir John A. Macdonald probably holds true: "You can buy them but they won't stay bought."

Outlays Reasonable

The enormous outlays in the larger cities are generally considered reasonable. Hon. C. H. Cahan, secretary of state, and member for St. Lawrence and St. George, Montreal, is the authority for the statement that as much as $75,000 is needed to contest such ridings. This money goes to pay the army of workers that is required to supervise the campaign, check the lists and canvass the voters. It is by no means unusual for a candidate to have as many as 100 to 150 workers and to face a salary bill of $1,000 per day during a campaign. It is an open secret at Ottawa that Mr. Bennett's supporters in the larger cities were in favor of an early election. Their position was understandable. To prolong the campaign for three weeks enhanced their outlay by from $15,000 to $20,000 and though many of them are men of means, this is a high price to pay for public service. Seldom, if ever, do these candidates receive enough money from the party war chest to cover all their expenditures.

Stakes are High

In ordinary constituencies the candidates' expenditures are composed chiefly of rentals for halls, advertising, printing and travelling expenses. The rank and file of politicians, regardless of popular belief, do not make money out of their profession. To lose is often disastrous and to win very frequently even more so. Professional men forego their careers, lose touch with patients or clients, decline in prestige in their particular callings. Business men either sever all connections or get out of touch with their affairs. And usually after a vicarious career they are cast aside by the electorate and must rely upon the generosity of their party or their friends for bread and butter.

This year with approximately 1,000 candidates in the field some $200,000 will be hazarded in nomination deposits. Unless a candidate polls half the number of votes accorded the victor he loses his deposit ($200) and nothing seems surer than that from $60,000 to $80,000 will be forfeit to the Crown on October 14.

Bennett's Economic Council Is Voluntary Proposition

Rosters of Names for Likely Members Already Being Prepared—Omissions from Radio Speeches Bring Speculation on National Government

From Our Own Correspondent

OTTAWA.—Two omissions from Premier R. B. Bennett's radio broadcasts have aroused interest and evoked speculation at Ottawa.

Forecasts that Mr. Bennett would hoist the flag of national government were not fulfilled.

Less specific predictions that Mr. Bennett would put emphasis on the railway problem and infer the need of an immediate solution were equally unfulfilled. The promise of a new enquiry took Ottawa completely by surprise.

As with the New Year's series, it is understood, that Hon. W. D. Herridge and R. K. Finlayson, the prime minister's chief secretary, drew up the original drafts of all four speeches. This permitted consultation with party lieutenants and advisers and, in consequence, several changes of importance were made.

First Intention

That Mr. Bennett had intended to come out for national government is scarcely open to doubt. There is no reason, to believe that the prime minister is less favorable now to a national ministry than he was, say, a month ago.

Two explanations of this omission are current at Ottawa. It is said that Mr. Bennett decided to save his declaration until the campaign enters the crucial stage two weeks hence. But it is said, also, that his advisers have persuaded him that, to the average citizen, national government is directly related to rail amalgamation and that the political effect of such a declaration—on balance—would be unfavorable.

The second omission, it is contended, is directly connected with the first. In 1930, Mr. Bennett carried a number of seats in which the railway vote is powerful. These members have taken no pains to conceal their views and Mr. Bennett apparently has listened to them.

Not So Clear Cut

On the other hand, political observers point out that the prime minister was not so clear cut in his reference to a mandate for amalgamation. To begin with, amalgamation in the literal sense is not an issue and is not being advocated by anyone. What is being suggested is unified control or operation without impairment of ownership.

It would seem that both the older party leaders are viewing closely their language on the railway issue. Mr. King has pledged himself to maintain the integrity of the National system but has said nothing about taking over the Canadian Pacific and creating a publicly-owned monopoly. Mr. Bennett, while reasonably definite on amalgamation, has not impeded himself in so far as embracing unified management is concerned.

Economic Council

In a general way, Mr. Bennett's quickness in availing himself of the Economic Council of Canada has occasioned great surprise and has earned him compliments. It is learned that R. H. Coats, Dominion statistician and secretary of the council, has already been asked to prepare rosters of names of likely persons to be drafted for council work on the enquiries now contemplated. These include transportation, debt, fuel and hydro power.

The council is entirely a voluntary proposition. The important provisions of the statute read as follows:

"The council shall consist of the prime minister who shall be the chairman, and 15 members who shall be appointed by the governor-in-council.

"The members of the council shall be selected from:

(a) Officers of the public service of Canada, not exceeding seven in number, whose administrative duties require consideration of social or economic problems;

(b) Representatives of organized bodies of a social or economic character, not exceeding five in number;

(c) Others persons having special experience or knowledge in connection with social or economic problems, not exceeding three in number.

"No fees or emoluments of any kind shall be payable to or received by any member of the council in connection with services rendered as such member, but members shall be paid actual travelling and living expenses necessarily incurred in connection with the business of the council."

All reports, of course, are made to the prime minister.

There is little or no likelihood of the council beginning to function until after the general election.

More Mosquitoes

Increased abundance of mosquitoes in 1935 as compared with previous years were reported from New Brunswick, Southern Quebec, certain sections of Ontario, the three Prairie Provinces and from the Kamloops and Cariboo districts of British Columbia

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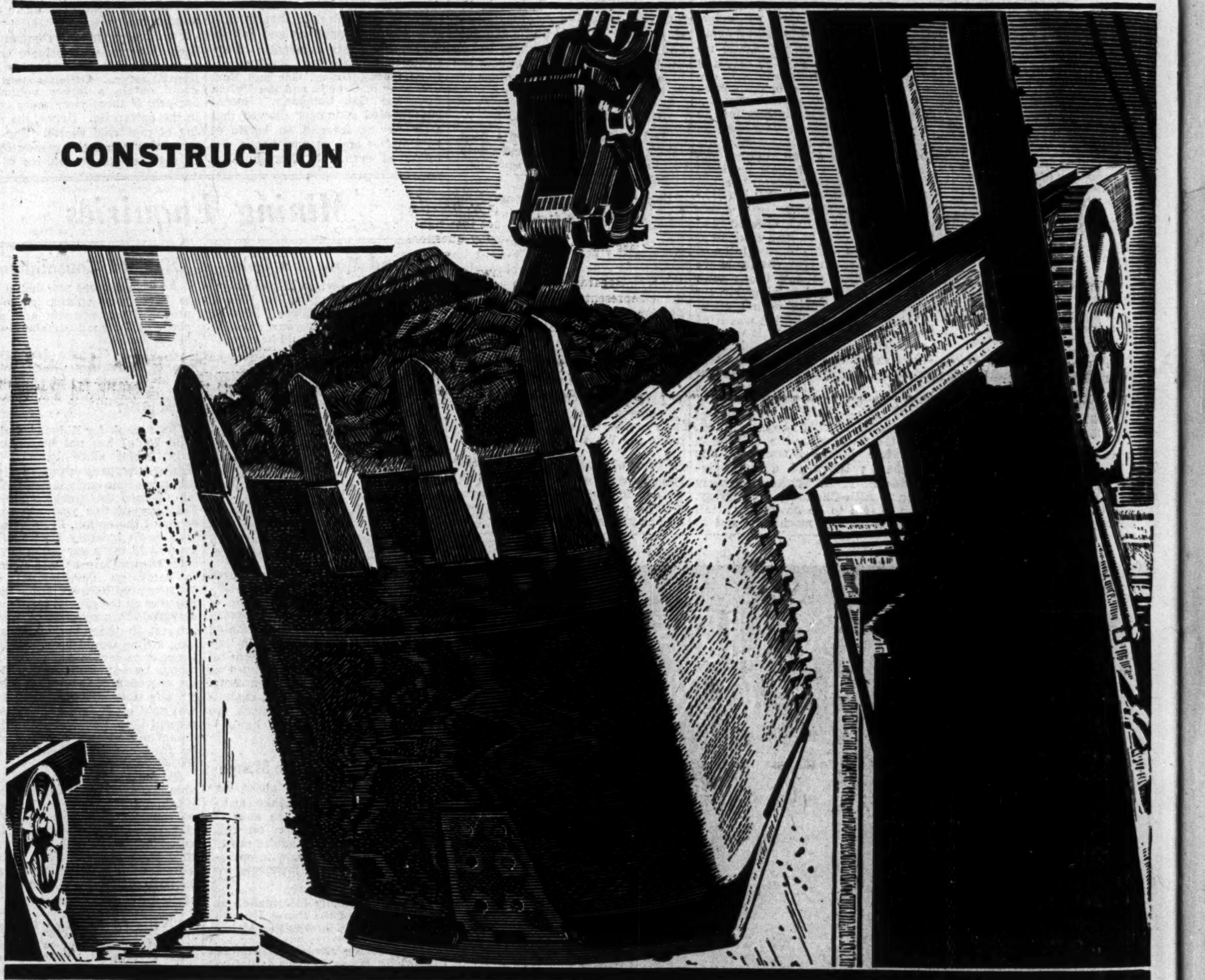

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THE FINANCIAL POST

SECOND SECTION

Vol. XXIX | Member of Audit Bureau of Circulations | PUBLICATION OFFICE: TORONTO, SEPTEMBER 21, 1935 | 10c a Copy; $5.00 a Year | No. 38

Four Political Platforms Offered Electors On October 14

Conservative

CONFIDENT in the reform programme adopted by the Liberal-Conservative Party, Premier R. B. Bennett is leading his campaign with the declaration that "the old order has gone." This party urges corrections in the former economic system in order that major problems which have arisen in the last few years may be ironed out to the betterment of Canada's people.

Briefly Premier Bennett promises the following additions to the policies he has pursued during his term of office and particularly in addition to the extensive legislation of the 1935 session of Parliament:

Debt-Conversion—Central Bank—Urban Debts

THE introduction of a huge debt-conversion scheme providing for the refunding and consolidation of Dominion, Canadian National Railway, provincial and municipal debts at lower rates of interest.

This, it is argued, would scale down annual interest charges by $50 millions to $150 millions according to the degree in which the provinces would co-operate. The job would be handled through the creation of a federal loan council.

* * *

To prohibit future tax-free bond issues by the Dominion of Canada.

* * *

To uphold the establishment of the Bank of Canada as a privately-owned institution with the possibility, however, of a change at a later date if experience suggests it advisable.

* * *

To apply principles of the Farmers' Creditors' Arrangement Act, to city dwellers, "which would give them a fresh start in keeping within their capacity to pay." Under the act mentioned farmers and creditors are brought together under the aegis of a government referee with the object of revising existing obligations to suit present conditions.

* * *

Railways

NO STEP would be taken on the question of railways until there has been "a clear and definite mandate of the Canadian people." It is a Conservative pledge to have the whole transportation and communication problem reviewed again from the beginning in an impartial and thorough-going fashion. An economic council would be charged with this. Should this council recommend any form of amalgamation, the question would be submitted to the people.

* * *

B.N.A. Act—Unemployment

TO AMEND the British North America Act in order to put into effect greater measures of reform "for the welfare of the country."

* * *

Fair distribution of the benefits of Confederation among all parts of the country and the curing of any disparity of living conditions and "any correctible inequality of benefits."

To solve unemployment in the interests of youth, by providing for the pensioning of adult workers at the age of 60 years. Under the plan, it is estimated that 120,000 workers would be withdrawn from the labor market in the first year, leaving that much room for the oncoming generation, which is finding so great difficulty in getting placed." The policy would be supported by the putting into effect of schemes such as housing, assistance to prospectors, forest conservation and other work, and by providing technical education for young people who are victims of the depression.

* * *

Power—Transportation

IMMEDIATE government inquiry into the whole question of power, from coal, oil, hydro-electric, and possibly peat. It is said that further increases in shipments of Maritime and Western coal to Central Canada, coupled with the utilization of the hydro resources of Ontario and Quebec would be studied by experts. These experts would show the way to "avoid present competition, unprofitable production and present prices by devising a scheme of co-ordination and the elimination of duplication.

* * *

To build up the east and west trade route.

Recasting of freight rates.

To modernize the rail structure.

Completion of the trans-Canada highway.

Support for civil aviation.

Improvement in national broadcasting.

* * *

RT. HON. R. B. BENNETT

Trade—Agriculture

MAINTAINED tariff protection so long as the nations of the world continue policies of economic nationalism. Mr. Bennett states that to remove protective trade restrictions would be to "wreck our domestic business and not get us a single dollar in foreign business." Continuance of policy of Imperial preferential trade.

To safeguard Canada's present standard of living and give it universal application by the following methods:

To return agriculture and industry to prosperity; to decrease the burden of debt; to restore the labor market to a sound condition; to remove unnatural and unjust inequality; to achieve better utilization of our natural resources; to secure better distribution of the profits of agriculture and of industry; to strengthen the Confederation and by so increasing Canada's power to work together to achieve these purposes.

* * *

To assure minimum prices to agricultural producers which will assure costs of labor and production.

* * *

Foreign Policy

NOT to be embroiled in any form of quarrel where the rights of Canadians are not involved. Mr. Bennett conceives it to be the solemn duty of governments by all just and honorable means to see that Canada is kept out of trouble.

It takes less space to outline the Conservative platform than those of the other parties because, as the party in power, it stands primarily on its record. This analysis deals with proposed legislation more than with policies already in force.

The Political Campaign

The Financial Post has presented on this page a résumé of the platforms of the four major political parties seeking power at the election on October 14. These platforms state the policies of the parties at the time of going to press. Almost a month remains until the date of the election and during the interim period supplemental or new stands may be taken on Canadian affairs which have not been included in this synopsis.

The older issues have by no means been shelved as a result of new problems having arisen. Trade is still being discussed. Unemployment and the Italo-Ethiopian war threat have, however, colored the present campaign. The financial situation is likewise a prominent issue. The railways have also come in for special attention.

It is a far cry from the old party principles to the policies of out and out Socialism as propounded by the Co-operative Commonwealth Federation. The people of the Dominion are to determine just how far they are prepared to go in changing the present system of government. The election results will determine whether Canada will remain in statu quo as to system or will embark on a ship as yet practically unknown in the waters of this country, the ship of a new planned economy which would replace the present capitalistic structure.

Liberal

THE Liberal party of Canada, spurred on by recent successes at the polls in seven provinces, outlines a fourteen-point programme with which it will seek to gain control of the federal administration. Hon. W. Lyon Mackenzie King, leader of the party and heading the opposition in the Parliament just closed, armed with his party's ammunition, is being heard throughout the Dominion. The old party issues are by no means shelved by the Liberals in their newest appeal for power.

This party, in its programme:

Finance — Central Bank — Balanced Budget

BELIEVES the financial mismanagement of industry is largely responsible for present difficulties and would prevent exploitation of the public through the sale of watered stocks and worthless securities by an "investment control board which would have supervision of issues of securities by companies incorporated under federal charters."

* * *

Feels that the Bank of Canada should determine the supply of currency in relation to the domestic, social and industrial requirements of the Canadian people and also to deal with problems of international commerce and exchange, "not as a private venture but as one controlled by the state."

* * *

States a balanced budget is the aim of every good government, and that this end would be sought by retrenchment of public expenditures, by reduction of principal and interest on the public debt, by a reduction in taxation and by increased revenues through the encouragement of trade. Would reduce the cost of government in Canada by a careful enquiry into federal, provincial and municipal costs.

* * *

RT. HON. W. L. M. KING

Railways

STANDS for the maintenance of the integrity of the Canadian National Railways as a "publicly-owned and publicly-controlled service."

Will refuse to countenance at present or in the next Parliament "the formation of any national government which will have railways amalgamation as its end in view."

* * *

B.N.A. Act — Electoral Laws — Reconstruction

REITERATES its belief in the necessity for amendment of the British North America Act. Mr. King is firm in the belief that "this country should be empowered to amend its own constitution." He deplores the fact that in so far as he is able to recall, Canada is the only country that has not that right. He feels that Parliament should pass amendments on many questions.

* * *

Regards electoral laws which will ensure a true parliamentary representation of the Canadian people and such legislation as may help to reduce the cost of the election campaigns, as essentially a part of a good policy and therefore planks of major importance.

* * *

Is of the opinion that industrial reconstruction is the "problem of the future." It will seek industrial relations as opportunity offers to give to workers and consumers a larger share in the government of industry.

* * *

Free Parliament — Free Speech

STANDS for the "principle of free Parliament and for the supremacy of Parliament." To this end it would "repeal the legislation enacted by the present administration which deprives Parliament of its control over expenditures and taxation and invests the executive with unwarranted arbitrary powers," as for example:

"Legislation permitting the executive to enact measures by order-in-council for peace, order and good government and,

"Legislation providing the executive with a 'blank cheque' for expenditures of any kind."

* * *

Pledges itself to the repeal of Section 98 of the Criminal Code and to the "abolition of the present practice of arbitrary deportations."

Will give no quarter to Communism in Canada, and regards as enemies to society those who advocate the overthrow, by force, of existing institutions. This stand, however, is not declared inimicable to a policy of allowing every avenue of redress to those who have legitimate grievances.

* * *

Trade

PLEDGES itself to promote trade with all nations and to negotiate trade agreements with any countries willing to trade with Canada on a reciprocal basis.

Promises to abolish the increases in tariff as instituted by the Bennett administration and would remove all extra taxes on imports such as the exchange and dumping duties which at present are in force.

Promises to end "the making and altering of tariffs by executive authority," and to continue the policy of British preference by a "percentage reduction in existing tariffs rather than by a percentage increase against foreign countries in existing tariffs."

* * *

Seeks liberation of internal trade. Mr. King states the need for "putting an end to artificial price control and agreements in restraint of trade." This would seem to be an attack upon governmentally blessed price-fixing schemes and private monopolies alike.

* * *

Agriculture and Natural Resources

WILL continue to "further the development of agriculture, lumbering, mining and fisheries by effecting reductions in the costs of production of Canada's basic products and by obtaining wider markets for them, by encouraging export trade and by state assistance in the marketing of natural products."

The Liberal party's attitude toward the Marketing Act is that certain of the Act's features are in need of revision, particularly "provisions which give the Governor-in-Council, apart from Parliament altogether, power to restrict imports and exports, and to local groups, not representatives of any legislative bodies, power, apart from the approval of Parliament, to make binding regulations and to create fines and penalties."

* * *

Foreign Policy

WILL seek to further, wherever possible, those courses in international relations which make for peace and goodwill among nations, and promote friendly intercourse between them, and would further the work of the League of Nations.

Would submit the question of Canada's participation in an Italo-Ethiopian war for final decision to the people.

C. C. F.

THE Co-operative Commonwealth Federation of Canada, headed by J. S. Woodsworth, believes that the present economic system has broken down and that despite small temporary revivals the country is headed for further depression and war. The party would introduce into Canada public ownership and control and a planned economic system "for the equal benefit of all citizens."

The C. C. F. policy, if endorsed by the people, would:

Planned Order—Finance—Taxation

LEAD to the establishment of a planned, socialized, economic order, so as to make possible the most efficient development of the national resources and the most equitable distribution of the national income. The first step in this direction, according to the C. C. F. Manifesto, would be "the setting up of a national planning commission of a small body of economists, engineers and statisticians assisted by an appropriate technical staff, to plan for the production, distribution and exchange of all goods and services necessary."

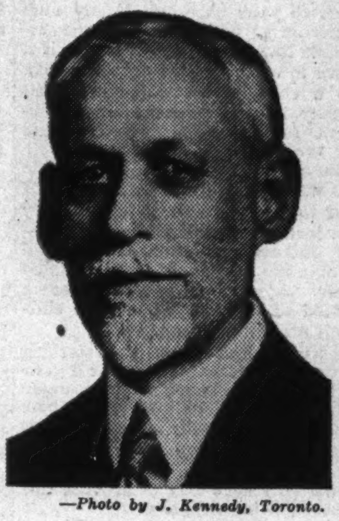
* * *

Socialize all financial machinery — banking, currency, credit, and insurance — "to make possible the effective control of currency, credit and prices, and the supplying of new productive equipment for socially desirable purposes."

* * *

Set up a new taxation policy designed "not only to raise public revenues but also to lessen inequalities of income and to provide funds for social services and the socialization of industry and the cessation of the debt creating system of public finance."

Revise the basis of Dominion and provincial sources of revenues so as to produce a "coordinated and equitable system of taxation" throughout Canada particularly in transition period during the socialization of industry.



—Photo by J. Kennedy, Toronto.

J. S. WOODSWORTH

Propose that all public works, as directed by the Planning Commission, "be financed by the issuance of credit, based upon the national wealth of Canada."

* * *

Arrange for "the assumption by the Dominion government of direct responsibility for dealing with the present critical unemployment situation and for tendering suitable work that will increase the real wealth of Canada to be financed by the issue of credit based on the national wealth."

* * *

Railways

OPPOSE amalgamation of the Canadian National Railways with the Canadian Pacific and advocate the complete independence of the C. N. R. from private interference. The C. C. F. believes the C. N. R. should continue to be operated as a publicly-owned system.

Revise the capital structure of the C. N. R. in order to present "a fair picture" of its financial position.

* * *

B.N.A. Act — Senate

AMEND the Canadian Constitution (the B. N. A. Act) "without infringing upon racial or religious minority rights or upon legitimate provincial claims to autonomy, so as to give the Dominion government adequate powers to deal effectively with urgent economic problems which are essentially national in scope."

Abolish the Canadian Senate.

* * *

Labor Code—Health—Free Speech

INSTITUTE a national labor code "to secure for the worker maximum income and leisure, insurance covering illness, accidents, old age and unemployment, freedom of association and effective participation in the management of industry or profession."

* * *

Seek to inaugurate publicly organized health, hospital and medical services. The C. C. F. maintains that health services should be at least as freely available as are educational services at present.

* * *

Demand freedom of speech and assembly; repeal of Section 98 of the Criminal Code; amendment of the Immigration Act to prevent deportation; "equal treatment before the law" of all residents of Canada.

* * *

Establish a commission composed of psychiatrists, psychologists, socially-minded jurists and social workers to deal with all matters pertaining to crime and punishment and the general administration of the law.

* * *

Trade

REGULATE external trade in accordance with the national plan, through import and export boards. In explanation of this policy the C. C. F. Manifesto states:

"In a world of nationally organized economies, Canada must organize the buying and selling of her main imports and exports under public boards, and take steps to regulate the flow of less important commodities by a system of licenses. By so doing she will be enabled to make the best trade agreements possible with foreign countries, put a stop to the exploitation of both primary producer and ultimate consumer, make possible the co-ordination of internal processing, transportation and marketing of farm products, and facilitate the establishment of stable prices for such export commodities."

* * *

Agriculture—Roads

BRING "security of tenure" for the farmer on conditions to be laid down by individual provinces; insurance against unavoidable crop failure; removal of the tariff from the operations of agriculture; encouragement of producers' and consumers' co-operatives; the restoration and maintenance of an equitable relationship between prices of agricultural products and those of other commodities and services; and improve through a system of import and export boards the efficiency of export trade in farm products."

* * *

Adopt a system of agricultural development based upon scientific soil surveys.

* * *

Foreign Policy

EMBARK on a foreign policy designed to obtain international economic co-operation and to promote disarmament and world peace.

The C. C. F. stands resolutely against all participation in imperialist wars and would accept any opportunity to advance the idea of international co-operation through a reformed League of Nations or the International Labor Organization.

Reconstructionist

BASING its primary appeal to the electorate on its policy of bettering the unemployment situation throughout the Dominion, the Reconstruction Party, headed by Hon. H. H. Stevens, has instituted a platform of reform in which it claims real concern for Canada's youth. This Party has no other political affiliation and declares itself to remain at present and in future a unit wholly unto itself. Formed by Mr. Stevens, former minister of trade and commerce in the Bennett government, the Party pledges itself to "revive true democracy in the Dominion."

Therefore, the Reconstruction Party, in its platform:

Finance—Central Bank

WILL conduct a complete investigation of credit and monetary problems, calling to its aid outstanding authorities.

* * *

Favors nationalization of the Central Bank.

Would adjust prices to wages and salaries "largely through the restriction of excessive profits and write-downs."

* * *

Public Debt—Government Economy

PROMISES retirement of the public debt in 25 years. This would be achieved by developing Canada's natural resources through assistance in developing "known gold mine claims" and by so doing soon doubling the output of gold in Canadian mines.

By adjusting freight rates, "bring the Maritime provinces and the Alberta district nearer markets of central Canada."

* * *

Pledges itself to government economy by removing duplication of services. Efficient civil service, engaged on merit, is pledged.

* * *

Would submit definite proposals to the provinces for adjustment where duplication of the levying and collection of taxes exists.

Believes that each unit of the multiple-unit corporation (the chain stores) should be taxed separately.

* * *

Will make available for house building "funds at reasonable rates of interest, probably through the existing loan channels" or through a Dominion Housing Corporation.

Would embark on a programme of slum clearance.

* * *

Railways

DOES not believe that amalgamation under private ownership offers a solution of Canada's railway problems.

Is opposed to the sale of the Canadian National Railways to a group of international financiers, or to the Canadian Pacific.

Would write down the assets of the C. N. R. in accordance with the recommendations of a competent board of railway appraisers.

* * *

Penal Reform—Veterans

WOULD transform Canada's jails and penitentiaries into humane establishments "for the rehabilitation of their inmates into useful members of society."

* * *

Pledges itself to give legislative effect and enlarge on the recommendations of the Hyndman Report on the conditions and desires of war veterans' welfare.

* * *

B.N.A. Act—Unemployment—Labor

STATES that the Federal Parliament should make use of its own powers and rights in connection with the B. N. A. Act before asking the provinces to relinquish any of theirs.

* * *

Considers it a duty to open up the necessary channels which will afford the youth of Canada opportunities of useful and gainful employment. A long term programme of public works would be undertaken to absorb the workless.

Pledges the reduction of youth unemployment (18 to 30 years of age, male and female) to the extent of 80 per cent during the first year it would hold office."

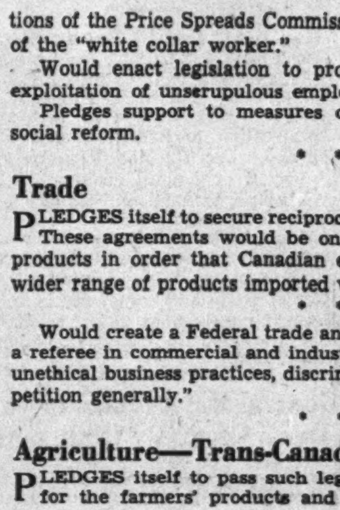
* * *

Pledges government's support to collective bargaining.

In addition it would:

Have uniform wages and hours throughout Canada.

* * *



HON. H. H. STEVENS

Would enact legislation to make effective the recommendations of the Price Spreads Commission in order to better the position of the "white collar worker."

Would enact legislation to protect women and girls "from the exploitation of unscrupulous employers."

Pledges support to measures of public health, child welfare and social reform.

* * *

Trade

PLEDGES itself to secure reciprocal agreements with other countries. These agreements would be on a basis of freer trade in specific products in order that Canadian exports might be increased, and a wider range of products imported which are not produced in Canada.

* * *

Would create a Federal trade and industry commission "to serve as a referee in commercial and industrial matters affecting fair trading, unethical business practices, discriminating discounts and unfair competition generally."

* * *

Agriculture—Trans-Canada Highway

PLEDGES itself to pass such legislation "as will insure fair prices for the farmers' products and free the participants in Canada's farming industry from the oppression of the secondary handlers of their products." Will appoint a federal board "to formulate a scheme for the direction of the marketing of agricultural products."

* * *

Believes that by making reciprocal trade agreements it is possible for Canada to materially reduce its wheat carryover and stimulate international trade. To further assist this policy would endeavor to have western farmers switch a considerable acreage from wheat to oats.

* * *

Definitely approves road-building throughout the Dominion in conjunction with the provinces.

* * *

Foreign Policy

DECLARES unequivocally against Canadian participation in war without consulting the people. Mr. Stevens has stated that it is "an unthinkable thing that Canada should be dragged into a war involving obscure things in Europe or Africa."

Electorate Will Select 245 Members for House

Canada will elect 245 members for the federal House of Commons at the general voting on Oct. 14. These are divided among the provinces as follows: Ontario, 82; Quebec, 65; Nova Scotia, 12; New Brunswick, 10; Manitoba, 17; British Columbia, 16; Prince Edward Island, 4; Saskatchewan, 21; Alberta, 17 and the Yukon, 1.

According to the British North America Act the Province of Quebec shall always have a fixed representation in the Dominion House, that is, 65 members. It provides that there shall be assigned to each of the other provinces such a number of representatives as will bear the same proportion to the number of its population (ascertained by the census) as the number 65 bears to the population of Quebec. However, by an amendment to the British North America Act passed by Imperial Parliament in 1915 it was enacted that "notwithstanding anything in the said Act, a province shall always be entitled to a number of members in the House of Commons not less than the number of senators representing such province." As a consequence of this amendment the representation of Prince Edward Island has remained at four members.

At dissolution on August 14, 1935, the standing of the political parties in the federal House of Commons was as follows:

Conservatives	113
Liberals	88
Lib.-Progressives	3
Progressives	2
U.F.A.	9
Labor	3
Independent-Labor	1
Independents	2
Vacancies	24

The Senate consists of 96 members, appointed by the governor-general on recommendation of the political party in power. The numerical representation of the Senate by provinces is as follows: Prince Edward Island, 4; Nova Scotia, 10; New Brunswick, 10; Quebec, 24; Ontario, 24; Manitoba, 6, Saskatchewan, 6; Alberta, 6 and British Columbia, 6.

The Conservative representation on the Senate is at present filled, the Tory vacancies recently being brought up to 64 by Premier R. B. Bennett's appointments. The Liberal representation is 32.

Canada's Party Leaders

The careers of the four leaders of Canada's political parties seeking power at the federal general election Oct. 14, represent many years of service to the Dominion. These are briefly set forth below.

Rt. Hon. Richard Bedford Bennett—Prime Minister of Canada; M.P. for Calgary West; born Hopewell, N.B. 1870; admitted to the bar of New Brunswick in 1893; commenced practice in Chatham, N.B.; created K.C. in 1905; member of municipal council of Northumberland, 1896; moved to Calgary, Alta., 1897; member of Legislative Assembly of Northwest Territories 1898-1905; member of Legislative Assembly of Alberta, 1909-1911; resigned 1911; represented Calgary in House of Commons of Canada 1911-1917; declined nomination, 1917; defeated 1921; was director-general of National service until passing of Military Service Act, 1917; minister of justice and attorney-general of Canada from 1921 in Meighen administration; minister of finance, 1926; elected leader of the Conservative

(Continued on page 12)

Life Insurance News

PREMIUM COST LIFE POLICIES DUE TO RISE

Many Companies Move to Put Reserves on 3 Per Cent Basis

Low interest rates are gradually being translated into higher premium rates for life insurance contracts.

One by one, leading companies operating in Canada have reported new rate schedules to conform with the changed conditions of the past few years. More changes are due to follow in the next few months The Financial Post learns.

In brief the thing that is happening is that companies which formerly calculated their reserves on the assumption that they would earn 3½ per cent on their investments are changing back to a 3 per cent basis.

Mixed in with this have been other trends, notably a fairly general increase in non-participating rates (irrespective of reserve basis) and adjustments by many companies toward cutting the "spread" between their participating and non-par premiums.

Many companies such as Sun of Canada, Canada Life, Imperial and New York Life have for many years operated on a 3 per cent reserve basis. Then on January 1, of this year, two leading U.S. companies each with a substantial stake in Canada (Metropolitan and Prudential Life) both announced higher rates with a change to the 3 per cent reserve. In the case of the Metropolitan the increase in rates amounted to about 6½ per cent.

This autumn, North American Life announced to agents at its annual convention that it would change shortly to a 3 per cent basis for all business. It is now reported that a similar change is being contemplated by Mutual Life of Canada, but no official decision has been made as yet as to details or date of change. London Life had the matter under advisement a short time ago but have decided to make no move for the present, it is understood.

Generalizations are difficult, but if such a change is made it is possible that increases of from $1 to $1.50 per thousand might be made in existing participating premium rates, if the new 3 per cent rate were to be based on what is known as the American Men mortality table. There would be no change in existing contracts of course.

Dividend rates might or might not be changed, depending on the amount by which rates were adjusted; it being essential for the company to earn a higher "net" premium to cover its more rigid reserve basis. If dividends were reduced in the earlier years they would probably be greater in later years as the interest earning factor became more important. Guaranteed values would also be changed in all probability.

New Appointments By National Life

P. F. Rowe has been appointed branch manager for the National Life Assurance Co. at Ottawa. He succeeds Hugh F. Murray, manager in that city for the past two years, who has decided to take up special production work for the National. Mr. Rowe in addition to being a C.L.U., is a past president of the Ottawa Life Underwriters Association and is also chairman of the Life Underwriters Institute of Ottawa.

The company also announces that J. E. T. Langley has been appointed district manager at Peterborough.

Cumulative total of paid for business for the year to-date to the end of August is reported by the company to be 14 per cent ahead of the same period a year ago.

Canadian Companies Co-operate

Canada Life, Great West Life and Sun of Canada are three Canadian companies listed by Theodore M. Riehle, president of the National Association of Life Underwriters as among the 45 concerns that have signed the "Declaration of Guiding Principles and Agreement" for cooperation in limiting part-time agents in urban centres.

Mortgage Money From Sun Life

Reorganization of the mortgage and investment department of the Sun Life Assurance Co. of Canada for the investment of "considerable sums in Winnipeg mortgages" was announced by C. S. V. Branch, vice-president of the company, who visited Winnipeg recently.

The Winnipeg investments, it is reported, will be handled separately to the federal housing scheme with which the company has recently been associated. They will be handled through John Flanders, of Winnipeg.

Canadian Text On Official List

Announcement of the special extension courses on life insurance underwriting being conducted during the coming winter at the University of Toronto contains the information that "How to Make Your Business Live" by R. M. Haultain is included as the official textbook for the second year underwriting course. It is also listed in the official list of textbooks prescribed by the Life Underwriters Association of Canada and will be carried in the booklet covering the 1936 examinations of that body.

This recognition is a tribute to the work done by Mr. Haultain in writing the first Canadian textbook on business insurance. The book was sponsored and published by The Financial Post.

Three-generation Firm Found at Fredericton

Three generations in the same insurance business is the record of the Morrison firm in Fredericton, N.B.

Back in the '80's Frank I. Morrison took over an insurance agency from Julius L. Inches, according to the Fredericton Mail. He continued until his death, the business then being taken over by his son Luke S. Morrison. A few years ago when Mr. Morrison's son left school he also joined the business and within recent weeks has been made a partner of the firm. His name is the same of that of his grandfather—Frank S. Morrison.

The Mail describes the association as "one of Fredericton's oldest business establishments and one of its oldest families.

Insurance Inklings

G. H. A. MONTGOMERY, K.C., recently elected president of the Canadian Bar Association is a director of the North American Life Insurance Co.

J. F. MAINE superintendent of agencies of the London Life Insurance Co. will preside at the meeting of the industrial section of the American Life Convention being held at Chicago October 7 to 11. Mr. Maine as chairman of the industrial section of the convention will outline main factors in industrial life insurance in leading off the discussion.

I. E. SAMS, Canadian manager of the Mill Owners Mutual Fire Insurance Co. is on an extended trip through western Canada, visiting agencies in the principal cities.

CANADA'S POLITICAL PARTY LEADERS

(Continued from page 11)

Party at National convention, Winnipeg, Oct., 1927; re-elected to House of Commons at general election, 1930, and prime minister, Aug., 1930.

Rt. Hon. William Lyon Mackenzie King—Leader of opposition; born Kitchener, Ont., 1874; deputy-minister of labor, 1900-1908; member of Parliament for North Waterloo, Ont., 1908-1911; Prince, P.E.I., 1919-1921; North York, Ont., 1921-1925 and since 1926 for Prince Albert, Sask., minister of labor of Canada in Laurier administration 1909-1911; selected as leader of the Liberal Party at the National convention Aug., 1919; leader of the opposition, House of Commons, 1919-1921; prime minister from 1921-1926; resumed office of prime minister in Sept., 1926-1930.

James Shaver Woodsworth, M.P.—Born in Toronto, 1874; first elected to House of Commons at general election in 1921; re-elected in 1925, 1926 and 1930; is head of the Co-operative Commonwealth Federation of Canada; was successively school teacher, clergyman, lecturer, social service worker, longshoreman; director of social research.

Hon. Henry Herbert Stevens, M.P.—Born in 1878 at Bristol, Eng.; came to Canada 1887; went to British Columbia, 1894; alderman, Vancouver City, 1910-1911; elected in 1911 as Conservative to Federal House of Commons for Greater Vancouver; re-elected at general election, 1921 and 1925; appointed minister of customs; re-elected at general election, 1926 and 1930; appointed minister of trade and commerce in the Meighen administration 1921; appointed minister of trade and commerce in the Bennett government, 1930; resigned 1934; formed the Reconstruction Party, 1935.

General Motors Introduces Drive Carefully Campaign

General Motors of Canada have introduced a "Drive Carefully Campaign" among its employees. Distinguishing discs are awarded for having driven without accident for various periods.

As the status of drivers is based on a retroactive record, there are already 80 per cent who have qualified for the gold disc, which is the award for a full year without accident. The objective is 100 per cent gold discs within the next year.

NORTHWESTERN MUTUAL FIRE ASSOCIATION
SEATTLE WASHINGTON
HEAD OFFICE FOR CANADA
HAMILTON ONTARIO
WRITING FIRE AND AUTOMOBILE INSURANCE AT COST. ASSETS $5,183,603.19
BRANCH OFFICES
Toronto
Ottawa
Vancouver
Victoria
Edmonton
Calgary
Saskatoon
Winnipeg
Montreal
Quebec City
St. John
Halifax
ALL POLICIES NON-ASSESSABLE PAYING DIVIDENDS RANGING FROM 20% TO 30% ON RENEWALS

"Canada's Largest Fire Mutual"
The WAWANESA MUTUAL INSURANCE CO.
Ranks 3rd against all companies on total volume of fire business written in Canada
FIRE WINDSTORM SPRINKLER LEAKAGE AUTOMOBILE
LIABILITY DOCTORS' AND DENTISTS' LIABILITY PLATE GLASS
Head Office—WAWANESA, Man.
Eastern Office—341 CHURCH ST., TORONTO, Ont.
Branches also at Vancouver, B.C.; Edmonton, Alta.; Regina, Sask.; Winnipeg, Man.; Montreal, P.Q., and Saint John, N.B.

Insurance Problems

Insurance questions of general interest submitted by subscribers of The Financial Post will be answered in this column. Other enquiries will be answered by mail. A three-cent stamp should be enclosed to cover a direct reply.

What to Buy?

I am 32 years of age, married, two small children. I now have $5,000 ordinary life with the Sun Life and am considering adding another $5,000 but cannot decide what company or the type of insurance to take, that is, ordinary life, endowment at 60, or some form of annuity.

What would you advise?

How do the Sun, Mutual, and London Life compare considering premium, dividends paid to policyholders, etc.

Which gives insurance at the lowest net cost after dividends have been applied to reduce premium or funds left on deposit?

Without knowing more about your financial position, that is, the amount of your income, the extent of your other investments, etc., it is difficult to advise regarding your life insurance problem.

However, it is obvious that in the event of your death $5,000 (unless it were supplemented by substantial investments from other sources) would be of no very great assistance to your wife and family over a period of years. In fact, the expenses incidental to your death, if it were to occur, would probably take up a considerable portion of this money leaving perhaps only sufficient for maintaining your estate for three or four years.

In other words, if at all possible the wise thing would seem to be for you to take on additional ordinary life insurance perhaps with a "family income" rider which would double the amount of income which your wife would receive for a period of 20 years while your children are growing up.

Thus, to make sure of protecting your family it would seem as if your first thought should be to provide sufficient funds to look after their needs at least until such a time as your children are able to earn money themselves. Life insurance is the only sure way to provide this protection immediately.

After this end has been achieved it would be time to consider endowment or annuity contracts.

Regarding the three companies you mention, it is difficult to give a fair and accurate answer. At one time, one company shows better results than the other due to higher dividend payments to participating shareholders. All three companies are leaders in the Canadian field and have an excellent record over a considerable term of years.

Broadly speaking, the Sun Life is what is called a "high initial premium" company. That means the company charges a high initial sum and returns substantial dividends to participating policyholders. Both London Life and Mutual Life of Canada sell most of their business now on a low initial cost basis.

Mutual Benefit

I am attaching a folder put out by the Mutual Benefit Health and Accident Association, showing its head office as being in Toronto.

On referring to the Insurance Abstract, put out by the King's Printers for 1934, this company is listed as being "a company other than Canadian" and also it is shown as having no liabilities in Canada and writing no business in Canada. I find it difficult to reconcile this pamphlet with the insurance blue book,—firstly, as to location of the company's head office and, secondly, as to its doing no business in Canada. As far as I can ascertain this company is the same as the company by the same name with head office in Omaha, Neb.

Will you be good enough to make any comments you can about this company and also advise if it is licensed to do business in the Dominion of Canada.

As far as I know, this is the only company giving lifetime benefits from the first day under sickness insurance. Do you know of any other company licensed in the Dominion giving such benefits?

Your difficulty regarding Mutual Benefit Health & Accident Association is due in part to the fact that it was only during the last few days of 1934 that it received a Dominion certificate of registry. It was not until the early summer that it obtained a license to transact business in Ontario and subsequently in British Columbia. More recently a license has been obtained in Manitoba.

The head office of the company is in Omaha—not in Toronto. The Toronto address refers to the Canadian head office. This explains the listing in the Insurance Blue Book as a company "other than Canadian" which, as you know, is a standard grouping for any company whose head office is not in Canada or Great Britain. It would be clearer if the company literature read "Head Office in Canada" rather than "Head Office."

As you doubtless know, there are many companies which, for an extra premium, will commence sickness benefits during the first 15 days. The unusual feature is the "lifetime" clause, found very rarely in the average contract. We do not know any other policy where these two are combined as most "line" companies limit payments to 52 or 102 weeks, etc. The Mutual Benefit informs us that where the policyholder is confined to the house the liability is for an indefinite period. For other types of policy the company apparently reserves the right to cancel at the end of a renewal date (usually quarterly).

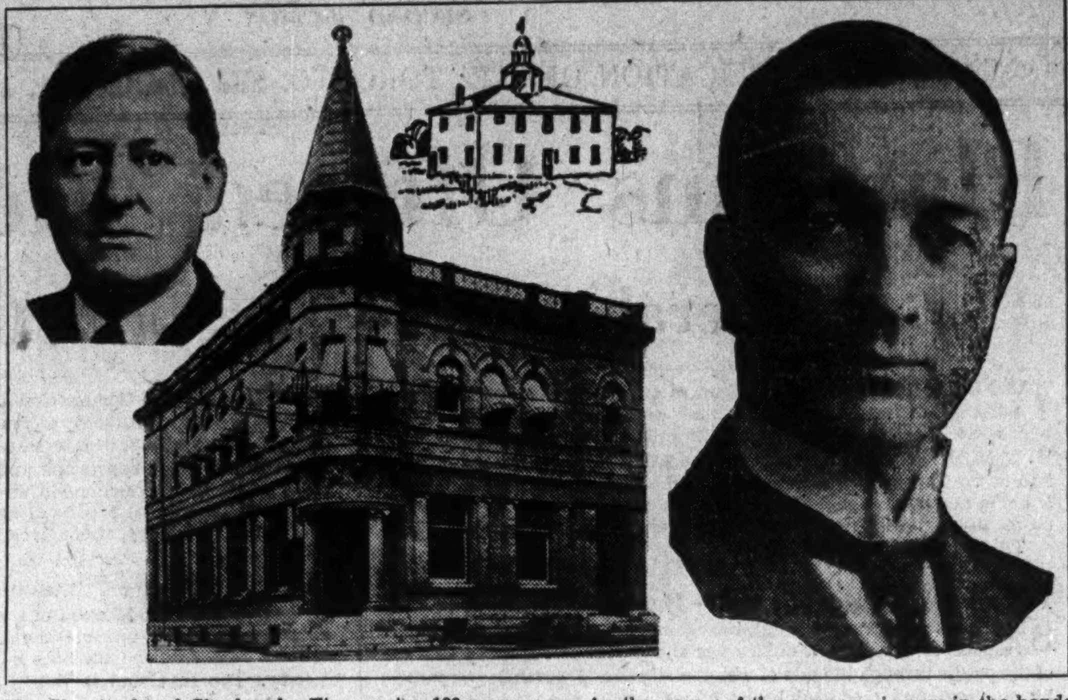
For further information on the company we refer you to an item in The Financial Post on May 11.

R. J. Wickham Chairman Insurance Federation

R. J. Wickham, of Montreal, was elected chairman of the Canadian Federation of Insurance Agents at the recent annual meeting in Winnipeg. Vice-chairmen chosen were Cecil Bethune, Ottawa and D. A. Hanson, Montreal.

The Federation is composed of all organized agents' associations in Canada which are principally interested in fire and casualty insurance. It includes 27 local associations.

Celebrates One Hundredth Birthday Party



The Stanstead and Sherbrooke Fire Insurance Company, the oldest Canadian mutual writing fire business, first saw light of day in the unpretentious building in the upper centre 100 years ago. As the company's business expanded, larger quarters became essential, and the present head office, shown in the lower left, was built. Management of the company is now in the hands of Hon. Jacob Nicol, president, and J. G. Armitage, secretary-treasurer (upper left).

Stanstead & Sherbrooke Celebrating Centennial

Fire Insurance Company Formed in 1835 by Hardy Pioneers is Now the Oldest Mutual Fire Business Organization in the Dominion

In the year 1835 in the township of Hatley in Quebec province, a small community of settlers had made a clearing at the village then known as Charleston, but now known as Hatley. In March of that year, some of the hardy pioneers banded together to organize The Mutual Fire Insurance Company of the Counties of Stanstead and Sherbrooke. A subscription list, started at that time and showing in the handwriting of each subscriber amounts ranging from 50 pounds to 15 times that amount, is still one of the treasured mementos of an active and thriving insurance firm.

Just recently, in the same little village with a new name, the same insurance company, now called the Stanstead and Sherbrooke Fire Insurance Company, with head office moved to Sherbrooke, held a birthday celebration. The company is the oldest Canadian mutual insurance company now insuring against fire, and of all those in the British Empire stands 23rd in the list of oldest companies.

Early Commission

The first meeting of the company was held in April, 1835, and policies began to be issued on Sept. 1 of that year. The first was for £143 6s. with a premium note for £10; a down payment of five per cent, ten shillings, was exacted. It is interesting to note that at the first annual meeting of the company, a resolution was passed allowing three shillings and ninepence to agents for each application taken for insurance. At a subsequent directors' meeting, compensation for the services of the secretary were set at two shillings and sixpence, and for the treasurer at ninepence for each application.

Hatley did not long remain the head office site, for in the year following organization it was switched to Lennoxville, and again moved in 1844 to Sherbrooke. Soon after operations were begun, an office or trademark was adopted. It consisted of a Phoenix bird arising from its ashes, with its wings outspread, and below it two hands clasped, expressive of the idea of mutuality, partly encircled by laurel branches, indicating victory. The company's name was not changed until 1882.

Expansion Gradual

In the early years, operations were confined to the counties of Stanstead and Sherbrooke, as such counties then existed. However, the law governing mutual fire companies was amended so as to permit such companies to extend their business beyond the limits of the counties for which they were originally organized. Subsequently the company extended its business very materially until now its operations cover the whole of Quebec and part of Ontario.

The history of the company is, of course, inseparably linked with the course of legislation affecting that particular type of insurance. So, for instance until 1882 no mutual fire insurance company had a right to accumulate a reserve. Consequently an annual assessment sufficient to cover losses and expenses of the preceding year was required. This made the annual assessment great or small, according to the losses of the year, and gave rise to dissatisfaction on the part of members. However, by an act in 1882, mutual fire companies in Quebec were granted the right to accumulate a reserve, the object being to render assessments more uniform and to aid members in less favorable years. The reserve at that time was limited to $50,000, but was later increased to $100,000 and in 1909 was left to the judgment of the company.

"Cash" Business

In 1888, an act was passed permitting such companies to transact business on the cash system. That is, a person might take out a policy in a mutual company and pay the full premium for the term of the policy in cash without a note or further liability. Those insuring on this plan, however, were not permitted to be members of the company, so that whatever profit was made in this department went to the credit of the mutual members. Business of this kind was not introduced by the Stanstead and Sherbrooke until late in 1904, as it held the opinion that it was not wise to undertake such until the reserve allowed by law had been accumulated. This placed the company in the same class with other non-tariff companies, and policyholders were given their choice between the two systems. The rates charged on the cash premium principle were fixed at 10 per cent in advance of the cost on the mutual system.

Stormy Weather

While in the main the company has enjoyed a fair degree of prosperity in its hundred year history, there have been times of difficulty as well. Particularly is this true of the years between 1870 and 1880. At the end of this period the company states that it "resembled a storm-tossed vessel which had weathered the gale, but with torn sails, split masts, and broken rudder." Better times followed, however, and the company showed continued progress.

The birthday party this year was a most impressive affair. Insurance luminaries and friends and officials of the company joined in paying tribute to those who had served in early days. George Armitage, secretary of the company for half its life, had the honor of proposing a toast to the company. The Quebec superintendent of insurance, B. A. Dugal, speaking at the banquet, referred to the company in the following terms: "Notwithstanding a modest beginning it today enjoys a reputation of justice and honesty at least equal to that of any of its competitors. This is a wonderful result and I congratulate you thereon. Your company has brought out the historical tradition of the Eastern Townships, as regards the perfect harmony between the various races of its population."

Marine Firms Add Coverage Collision Loss

Marine insurance companies are now including coverage of cargo owner's liability in the event of a collision in which both vessels are to blame. The North Atlantic steamship companies have recently included in their bills of lading a new clause dealing with such collisions, the effect of which is to place a share of the ship owner's liability upon the cargo owner.

It is contended that the liability arising under this clause is not covered by an "all risks clause." The companies therefore prepared the following endorsement to be included in marine policies: "Where goods are shipped under a bill of lading containing the so-called "Both to Blame" collision clause, these assurers agree, as to all losses covered by this insurance to indemnify the assured for any amount (up to the amount insured) which the assured may be legally bound to pay to the ship owners under such a clause. In the event that such liability is asserted the assured agree to notify the assurers, who shall have the right at their own cost and expense, to defend the assured against such claim."

United States
Fidelity & Guaranty
Company
TORONTO

Licensed by Insurance Departments of the
Dominion of Canada
and
Province of Ontario
Canadian Office:
140 Wellington Street
OTTAWA, ONTARIO
The Commercial Travelers
Mutual Accident Association
of America
H. E. TREVVETT, Secretary-Treasurer

GEORGE WESTON RAISES DIVIDEND ON ITS COMMON

New Split Stock Pays at 60-cent Instead of 50-cent Rate

George Weston, Ltd., has raised the dividend rate from the equivalent of 50 cents a share to 60 cents a share annually on 375,854 shares of the new no par value stock outstanding.

Actual earnings of 1934, as applied to the new shares, would have been $1.04 a share and 1935 earnings for the first eight months of 1935, a letter to shareholders states, "have been satisfactory and encouraging." The increased dividend is therefore well protected, and R. A. Robertson, treasurer, informs shareholders that he hopes world conditions next March, when the annual meeting is held, will be such as to warrant discussion as to a future increase in the dividend.

The dividend of 15 cents a share just declared is for the quarter ended September 30. It will be paid Oct. 1 to shareholders of record Sept. 20.

The common stock of George Weston, Ltd., is selling at $16 a share currently. This is 26 2/3 times dividends at the rate just declared and 15.38 times earnings of 1934. This is a return of less than 4 per cent and is a reflection of stock market expectations created by increasing earnings shown in recent years and reports from England of swift expansion by the company in the United Kingdom and Ireland through the medium of a British holding company.

ASSOCIATED BREW. SALES THIS YEAR SHOW 10 P.C. GAIN

Revenues Also Higher But Board Holds Dividend to See Crop Outturn

From Our Own Correspondent

MONTREAL.—Earnings of Associated Breweries of Canada for the current year to date have shown an improvement over the corresponding period of 1934, according to an official statement issued by the company. Sales volume during the seven months ended July 31, showed an increase of approximately 10 per cent, while the gain in net earnings up to that date had been even larger.

Despite a large increase in the business, this year, directors did not take any action on the common dividend at their recent meeting. An official statement indicates that the board feels that it would be more advisable to wait clarification of Western crop conditions that are still obscure owing to frost and rust damage to an extent that would warrant a cautious attitude. The company operates largely in the Prairie Provinces of Canada and the adjacent states. The board will meet again before the end of the current year to give consideration to a disbursement on the common.

Dividends already paid this year have been 25 cent a share on March 31 and 25 cents a share on June 30, making 50 cents a share for the first six months.

New Hampshire and West. Get Registry Certificates

Certificates of registry have been issued by the Department of Insurance, Ottawa, as follows: To the New Hampshire Fire Insurance Co. for earthquake, riot and civil commotion insurance, limited to the insurance of the same property as is insured under a policy of fire insurance of the company, in addition to the classes for which it is already registered; To the Western Assurance Company for aeroplane and earthquake insurance, limited to the insurance of the same property as is insured under a policy of fire insurance for the company, and personal property insurance in addition to the classes for which it is already registered.

Pay Ranchers More For Wool This Year

Wool, an important source of cash revenue to the ranchers of southern Alberta and southern Saskatchewan, is quoted at 9 to 12 cents per pound in that district that year. Growers organizations which grade and sell the wood on a pool basis have already advanced up to 8 cents per pound.

This advance and quotations are running well above the level at this time a year ago. The clip is reported larger and much cleaner than in 1934.

Public Benefactors
The man who leaves money to endow an orphanage is looked upon as a public benefactor, and rightly so.
But what of the man who, through the wise provisions of a Sun Life Family Income policy, ensures that his own children shall never need the shelter of an orphanage? In providing security for those he loves, he relieves the public purse to just that extent.
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SUN LIFE ASSURANCE COMPANY of CANADA
Head Office - Montreal

Laprairie on the Block

Quebec Brick Enterprise Reorganized Three Years Ago Plans for Another Rehabilitation Scheme

From Our Own Correspondent

MONTREAL.—Royal Trust Co. as trustee for the holders of the 6 per cent first closed mortgage bonds of Laprairie Co., has enforced the security created by trust deed and the properties of the company will be put up for public auction shortly.

Business conditions have continued exceedingly unsatisfactory during the current year, and a further expansion of liabilities has dictated the decision to carry out a capital reorganization. Pending this, arrangements have been made so that all trade creditors are receiving payment of their accounts as they become due, in the ordinary course.

At present, manufacturing operations are proceeding at both the No. 5 Delson plant as well as the No. 2 plant at Laprairie, the latter plant being engaged upon completing the manufacture of pressed brick being used in one of the larger public buildings. Other departments of the company's business are being carried on without any change or interruption.

Laprairie Co. was incorporated in 1932 to carry out a reorganization of the National Brick Co., of Laprairie, which in turn had been incorporated in 1911.

With the reorganization of National Brick, holders of the $1.5 million first mortgage 6 per cent sinking fund bonds, due 1949, received 15,625 class B preferred shares and 12,400 common shares of Laprairie Co. Shareholders of the old company were offered one common share in the new company for each three preferred shares held, and one new common for each twelve old common shares held.

In addition, and as part of the final reorganization, the Laprairie Co. purchased from the Cooksville Co. its face brick plant at Delson, P.Q., together with that company's Montreal business and working capital, in consideration of $500,000 of class A preferred stock and 74,642 common shares.

Cooksville Co. Got Control

As a result of this transaction, the Cooksville Co. secured the majority of the common stock, with the voting stock. All voting rights, were, however, until May 1, 1934, vested in interests representing the bondholders of the National Brick Co., of Laprairie.

Consequent upon this financial reorganization, the Laprairie Co. has an outstanding capital reorganization of $500,000 of 6 per cent cumulative redeemable class A preferred; $1,562,500 of 6 per cent cumulative redeemable class B preferred and $99,066 no par value common shares.

Operate at Loss

Since that time, affairs have not run very smoothly. In 1932, 1933 and 1934 operating deficits were reported, while the excess of current liability over current assets increased from $147,699 to $208,262.

At the end of 1934, the company's financial statement showed bank loans of $348,000, which was more than twice the total of current assets. The depreciated value of fixed assets was shown on the books at $3,473,393.

PROTECTION
The Independent Order of Foresters is a fraternal benefit society operating under a lodge system and existing for the purpose of affording to men and women the completest protection at the minimum cost. This protection covers practically every phase of family life. In addition to the protection afforded through its Insurance and Sick Benefit Departments, a number of practical fraternal benefits are available to its members.
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Footloose in Aberhartia

Alberta's Premier Reveals He Expects Banks to Finance Social Credit Scheme—Interview Shows Difficulty of Mapping Monetary Wonderland

BY C. W. STOLLERY

"WONDROUSLY SIMPLE," SAYS MR. ABERHART.

"Now you're putting me with my back to the wall."

In these words, Premier William Aberhart of Alberta replied to my suggestion that Canada's chartered banks might not wish to lend him the money to pay his "social credit" dividends.

In interviewing Mr. Aberhart, it was surprising to find that he is counting on the banks to finance the scheme of "social credit" dividends for all Albertans.

To avoid waste of time on preliminaries, I explained that I had read carefully the "Social Credit Manual," the premier's opus magnum.

Mr. Aberhart brightened visibly, smiled paternally; perhaps in the belief that he had encountered a convert.

Expects Bank Aid

"How do you propose to distribute basic dividends?" was the first question.

"Through the banks," was Mr. Aberhart's startling reply.

"You mean that the recipient of a dividend will be credited with it at a bank branch in national currency, just as if he had made a deposit?" I queried.

"Yes," answered the premier. "We wish to get the banks to co-operate in running the system."

"But that would mean the banks would be lending the province national money with which to issue dividends," was the obvious comment.

Sanguinely, Mr. Aberhart explained: "Yes, the banks would be lending to the province. They would have security. They would have our bonds. Perhaps, for example, they would be bonds issued against gold, or perhaps bonds issued against the provincial wealth."

Scheme Metamorphosed

Obviously, if this arrangement were carried out, Mr. Aberhart's "social credit" dividends would be paid to recipients in national currency. This was a major metamorphosis of the statements of the "Social Credit Manual."

The booklet suggests that a provincial "credit house" would act as the depository for all dividends paid by Alberta which could be drawn upon by the owners. This clearly would not be a national currency payment, but a sort of credit which would have to be exchanged for any national currency required by the individual

The natural question then was: "Suppose banks would not do it?" So, innocently, it was put to the Social Credit leader.

The volcanic nature of Mr. Aberhart's reply was surprising:

"Now you're putting me with my back to the wall. You're supposing we've had a falling out with the banks. We hope to have the banks co-operate with us, not fight us, and we have no reason to believe the banks are unfriendly."

Why Doctrine Changed

"But your 'Social Credit Manual' states that there will be a provincial 'credit house' which will hold the dividends at the credit of the recipients," the writer parried. "How is it that the banks are introduced?"

Came the light from Mr. Aberhart: "I had to do that when I was writing the Manual. At the time people in Alberta were saying the banks wouldn't finance it for us. So I had to show that there were other channels open to us through which we could operate the system. We can do what Ontario has done. We could open provincial depositories which would accept deposits from the public, hold their dividends on deposit, and which could do just what the banks do. But we expect the banks will lend their facilities to us and make it unnecessary to open a provincial banking system."

Pursuit went no further into the dubious question of the willingness of banks to lend Mr. Aberhart the money with which to pay his free dividends to Albertans. Striving for simplicity, it was also necessary to drop questions arising from the suggestion that Alberta depositories could do "just what the banks do." This implies something entirely different from Ontario's savings office system, which does not do a general banking business.

Cash For Credit

The foothills premier graciously agreed to discuss his "social credit" scheme on the supposition that banks refuse to lend Alberta $10 millions a month.

"How," he was asked, "would an Albertan convert his dividends, on deposit in the provincial 'credit house,' into national currency? How, say, would he pay for purchases in Eastern Canada?"

"We would give him national currency in exchange for his credit," said Mr. Aberhart.

"Where would you get the money?" was the next query.

"It would come from the proceeds of payments received, say from payments by eastern purchasers for Alberta's products," Mr. Aberhart answered.

Nonplussing Example

He expanded: "Suppose a man in Alberta wants $1,000 to pay someone in the east for purchases. Suppose also that he has shipped $1,000 worth of his own products to eastern Canada. Naturally, there is $1,000 of currency forthcoming from the sale of his goods. This can be used to furnish the national currency he requires to pay his bills in the east."

An unasked question, among scores of others, arose in one's mind. Does this reply by Mr. Aberhart indicate that the Alberta exporter would be deprived of the right to take payment in national currency for his shipments and that Alberta would control all national currency in the province?

Apparently it does. But that would be illegal!

Again for the sake of simplicity, pursuit down the alley of illegality was suppressed.

Parity of Credit

Would Alberta have trouble keeping its "social credits" at par with national currency?

To a question on this point, Mr. Aberhart replied: "Alberta money is not on a par with eastern money now is it? You have to pay one-quarter per cent exchange."

This required explanation. So it was put to Mr. Aberhart: "That is a fraction. The Canadian dollar went to a 20 per cent discount in the United States at one time. Might not the same happen to Alberta's 'social credits'?"

"You mean," Mr. Aberhart said, "other parts of Canada might not co-operate?"

Answered affirmatively to this somewhat ambiguous question, he went on: "Your suggestion might lead to something like secession or annexation. But don't get the idea that the west has anything like that in mind."

Mr. Aberhart declined to admit that the large volume of "social credit" in Alberta might lead to a depreciation of the value of such "social credits" as were given to Albertans. Such depreciation, however, is what orthodox economists anticipate, if ever "social credit" is tried in the Aberhart manner.

Dealing With Bonds

"Suppose, Mr. Aberhart, you had a bond issue maturing which was held by Canadians not residents of Alberta. How would you pay it off in national currency?" he was asked.

Quick on the trigger with his answers, Mr. Aberhart ejaculated: "We'd simply sell a bond issue to refund it."

Answer Your Own

Trying to get at the problem of how Alberta and Albertans would operate a credit system differing from that of the rest of Canada, I ventured: "Doesn't the operation of your social credit system in Alberta amount to the creation of a provincial tariff?"

"There's no tariff involved," Mr. Aberhart shot back. "Where would a tariff arise?" he queried.

But there would be a provincial tariff. Mr. Aberhart has said as much himself. He answers his own question in his "Social Credit Manual," as follows:

"Question—If the price of goods outside the province was less than our just price, how could we prevent their import?

"Answer—There would be no gain made by importing these cheaper goods. As soon as they arrive, there would be an unearned increment levy added to the price to make it the same."

Social Credit Pitfalls

An economist of the School of Finance, of one of the major American universities, had accompanied me as an interested spectator on this brief visit to Aberhartia. As we were leaving, he remarked: "Those answers he gave you lead to dozens of other questions."

It was only too true.

The pitfalls of verbal analysis of "social credit" of whatever variety were apparent. They have been described by H. T. N. Gaitskell in what is probably the clearest brief analysis of "social credit" extant. It appears in "What Everybody Wants to Know About Money," edited by G. D. H. Cole.

Gaitskell, says that "social credit's" popularity "is in all probability to be explained precisely through its ambiguity and complexity.

"For each supporter there is an interpretation which suits his intelligence and his knowledge. For the critics there is not one but a collection of heads to cut off. An opponent may destroy to his own satisfaction, one of the interpretations, but another will appear in its place."

Economist's View

My economist companion went on: "These schemes usually end in the same way. People want to make payment in the scrip or 'social credits.' They want to be paid in real money. The result is that the local money piles back on the issuer and the structure collapses. That's just what happened to a scrip scheme that was tried not long ago in Chicago."

He did not distinguish between a scrip issue and the dividend credits which Mr. Aberhart plans to place at the disposal of Alberta residents.

A study of monetary history since the time of Christ confirms the economist's view. The piling up process which recurs frequently, even in modern times, breaks the finances of the final holder of the "mush money."

Alberta Sacrificed

If "social credit" is a fallacy, how will this be proved? The view is not uncommon among the sceptics that Alberta may have to be sacrificed as a horrible example. It is said, for instance, that only a sad experience for Alberta will teach the truth.

Several corporation executives have expressed this opinion in discussing "social credit." One commented to me: "Perhaps it would be a good thing for Alberta to try it. The cost if it is tried and fails would be enormous. Still, the proof might be worth the cost."

But would it?

If "social credit" were to fail after trial in Alberta, its disciples might blame it on the localization factor, or on the banks. Perhaps the only way to dispel the "social credit" doctrine would be to make all Canada the sacrifice. Even then there would be the possibility that another many-headed brand of "social credit" would be conjured up by still other monetary magicians.

Why Keep Issuing?

In Mr. Aberhart's plan as outlined briefly on this page, one question which seems to puzzle his critics greatly is why must the $10 millions be reissued each month.

It is suggested, for instance, that a single distribution of $10 millions should have the effect of one month's dividend payments. Why not, asks a sceptic, just pay out the $10 millions and let it go around and around? Why withdraw it by the levy?

Mr. Aberhart's answer to this is that it is necessary to keep reissuing the $10 millions to those consumers who are at the bottom of a credit cycle. Otherwise, he says, the money would drift, as an "unearned increment," into the hands of creditors and become sterilized.

Another puzzling question is how one month's dividends of $10 millions would turn over $100 to $200 millions of goods in 30 days. Few products turn over that quickly even in a year, according to expert merchandisers.

Details Deferred

Questions of this specific character are not answered by Mr. Aberhart with precision. He admits candidly that his scheme is a sort of rough blue print. He is making investigations of Alberta's economic situation. Then he expects to get experts to tell him whether certain things will happen as he has visualized them.

Nearly all the specific questions on detail are answered: "That will have to be determined by expert investigation." The result is that the inquisitor finds Aberhartia is still largely a land of hypothesis.

Mr. Aberhart makes it clear that he will try to look well before he leaps. Each step of his plan, he explains, will be subjected to test before the next is taken. If a step proves false, he says, it would immediately be retracted. He plans to act with the utmost caution.

Will It Be Tried?

After hearing Alberta's premier speak in public, and after discussing "social credit" with him in private, one is impelled to the conclusion that Professor Stephen Leacock is right. Humorist-economist Leacock has written: "The scheme will never fail because it will never get a chance to."

One practical reason that may deter Mr. Aberhart from ever getting footloose in a "social credit" wonderland is none other than the root of all evil. Money. Hard cash, as distinguished from Micawber-like notes of hand.

And the very fact that financial difficulties may frustrate "social credit" may be the text of its apostles in preaching that it hasn't been given a fair chance.

Aberhart Statement

Shortly after his election, Mr. Aberhart was credited with this statement: "If social credit will bankrupt Alberta, it will not be tried. . . . . But that is unlikely to happen."

The significant thing is that Mr. Aberhart is undoubtedly sincere in his intention to meet all the provincial obligations. After his election, and on his recent talking and borrowing tour of Ontario, he has done his utmost to make it clear that he has no thought of doing anything to injure Alberta's solvency.

And there's the rub for "social credit."

The first problem Mr. Aberhart found on his hands after his Social Credit party's victory at the Alberta polls was that of money. He needed cash to pay holders of provincial savings certificates and other obligations.

The Dominion Government lent $2,250,000 to tide the Alberta Social Credit government over until Oct. 31. Before March 31, 1936, Mr. Aberhart himself has estimated that Alberta may need another $15 millions from Ottawa.

Illuminating Cash

These hard cash problems are illuminating. Merely the election of a Social Credit government was enough to cause a demand on Alberta for cash from certificate holders. Each step toward an actual "social credit" system will cause bondholders and other creditors to augment their demands for cash payment.

Mr. Aberhart may find himself so busy trying to cope with this cash problem that he will be unable to start his scheme. He may try. But in his present financial morass he has confessed that he can't start "social credit" until he cleans up present debts.

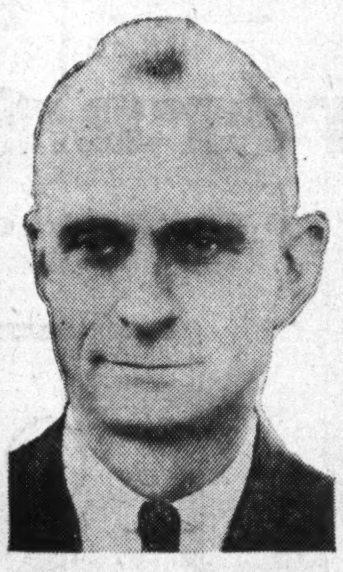
While, however, there is no doubt that Mr. Aberhart is sincere in his desire to pay Alberta's debts, neither is there any doubt that he really believes this is compatible with his "social credit" scheme. He seems, however, to place Alberta's solvency ahead of his beloved "social credit."

Aims to Please

Having met and conversed with Mr. Aberhart, one is impressed particularly with his sincerity. A school teacher and evangelist, he exudes the dogmatism of the pedagogue where "social credit" is concerned. But he carries himself with modesty and is patient and courteous with sceptical interrogators.

It would be wrong to suppose that William Aberhart will not try to live up to his pre-election promise of $25 a month in dividends to every Alberta adult. While Mr. Aberhart's obvious good intentions may be reassuring to some of Alberta's bondholders, his continued faith in free dividends has the opposite effect.

Man Who Pays



HON. CHARLES COCKROFT

Who is Provincial Treasurer and Minister of Municipal Affairs in William Aberhart's Social Credit government in Alberta. Through his department will pass any "basic dividends" paid to Albertans. He is a native of Leeds, England, and came to Canada in 1906 at age 18. He is now 47. In Canada, he has worked on railway construction and express systems. Later he became branch manager for a western wholesale grocery and fruit firm. Since 1923 he has operated his own general store at Gadsby, Alta.

The Aberhart Plan

Plan for "social credit" in Alberta as outlined by William Aberhart in his "Social Credit Manual," and as modified by Mr. Aberhart since publication of the manual, is summarized by The Financial Post as follows:

1. A basic dividend of, say $25, would be credited monthly to each Alberta adult at a provincial "credit house" or at a bank branch. This would mean an outlay of $10 millions monthly and would be in addition to credits for minors and any wages, salary or commissions earned by the recipient.

2. To recover this outlay, levies would be made on "unearned increments" which are defined as the spreads between producer's cost and consumer's price. The example given is the spread between a 60-cent bushel of wheat made into $3.50 of bread. Levies would be made on each processing stage. Mr. Aberhart's view is that the levies would have to be large enough to bring in $10 millions in 30 days. He thinks this would mean that turnover due to payment of dividends would have to be 10 to 20 times the total monthly dividend disbursements. That is, to recover $10 millions in a month, the increase in turnover would have to be $100 millions in that month.

3. "Just" prices would be fixed for all goods. This would be to eliminate "excessive profits" yet "give the producer, importer and distributor a fair commission on turnover." Fixation of prices would prevent passing on of levies to consumers. Prices for goods imported would also be fixed.

4. Basic dividends would be paid preferably in national currency, but if credited to Albertans through a provincial "credit house" the government would undertake to provide national currency required by Albertans.

The Aberhart plan differs in several major respects from that of Major Clifford Hugh Douglas, retired Scottish engineer, who invented "social credit." The Douglas scheme was outlined in The Financial Post for September 7, 1935, and April 7, 1934.

BRITISH STEEL TRADE LOOKING TOWARD CANADA

From Our Own Correspondent

MONTREAL.—Reports from London that a committee of British and Canadian steel manufacturers have agreed upon a plan for larger steel shipments from Britain to Canada, cannot be confirmed here. It will be recalled that just prior to the last Imperial Economic Conference, held in Ottawa in 1932, representatives of the two groups met and arranged for wider representation of British steel interests in the Canadian market.

Some credence is given to the current report that further concessions have been made by the recent announcement that a British exporting group has appointed a Montreal firm as direct Canadian representative for its products. Hitherto the English interests had been looked after by a representative sent out from England, but the new arrangement is expected to result in a more intensive cultivation of the Canadian market.

Electric Boiler Takes Lead In Power Industry's Sales

New Analysis by Financial Post Surveys Electric Power Situation in Main Areas

From Our Own Correspondent

MONTREAL.—Contribution of the electric boiler to the recent increase in sales of central electric stations, has been greater than any other single factor, according to conclusions reached and based upon a new analysis of the Canadian power situation prepared by The Financial Post on returns compiled by the Dominion Bureau of Statistics.

For more than a year and a half the central electric stations have been setting up new records of production. A recovery based upon expansion of industry and commerce and the natural gain in domestic consumption was to be expected, but production of electrical energy has increased far more rapidly than the general index of business activity.

Boiler Sales in Lead

An analysis of the returns for the first seven months of 1935 with those for the same period a year ago, reveals that while exports of power remained practically stationary, energy used for motive power, commerce and domestic purposes increased by slightly more than 9 per cent, but the amount of power used by electric steam boilers increased by 14 per cent.

Put in another way, of the apparent increase in consumption for the first seven months of this year—totalling 1,162 million kw.h. — over 410 million kw.h. were credited to electric boilers.

Its use, however, does not necessarily point to any general recovery. It might even be interpreted as a trend in the opposite direction. Power used for such a purpose is largely regarded as secondary. In some cases at least it is admittedly sold below cost. It is usually surplus power sold at a very low rate and not on contract. Until a few years ago the bulk of the paper mills now consuming such power, generated their steam by waste wood products, including the bark of the spruce pulverized for paper manufacture, coal or other fuel.

Largest Single Outlet

Only a few years ago the electric boiler represented a very minor outlet for energy, but today it is probably the largest single market enjoyed by the industry. Nearly 25 per cent of all power consumed within the Dominion is credited to the electric boiler.

The widespread use of the electric boiler for steam purposes has come about in less than a decade. It is in use today in Nova Scotia, New Brunswick, Quebec, Ontario, Manitoba and British Columbia. Only industries in need of large quantities of steam can economically afford to use. electricity rather than coal, otherwise other provinces would report the use of electric boilers. This situation is most apparent in the pulp and paper industry, where the use of steam is essential in the manufacture of newsprint. All of the provinces mentioned above support one or more newsprint plants.

A Shawinigan Development

The credit for the development of the electric steam boiler on a major scale goes to Shawinigan Water and Power Co. Following the collapse of industry in 1930, more especially newsprint, the company was faced with a large surplus of power. Investigation of new uses for power showed that while many minor ones existed, only two outlets existed which were capable of absorbing large amounts of power. These were the heating of water by electricity for domestic use and the replacement of coal in producing steam. The former offered a large potential market, but the time and expense involved did not promise any immediate relief from the growing burden of surplus energy.

Compete With Coal

Attention was turned to the electric steam boiler. Shawinigan engineers developed a satisfactory type of electric boiler and when rates were put on a competitive basis with coal, the advantages of electricity induced newsprint manufacturers to make the switch. Other power companies have since followed Shawinigan's lead.

The use of the electric boiler has developed very rapidly and the amount of energy required has been one of the principal factors in enabling the central electric stations to set new production records.

Set New Record

An accompanying table sets out the Canadian power situation for the current year up to the end of July, together with comparative data for the same period in 1934. This shows that output for 1935 increased by 1,174 million kw.h. Three economic areas report a net export of power, while the remaining two imported energy in order to meet requirements.

Apparent consumption of energy in Canada for the first seven months totalled over 12,449 million kw.h.—the highest point ever reached by the industry for any corresponding period.

Maritimes Report Gain

An analysis of the returns by the five main economic areas brings to light a number of interesting features on the power situation. This year the Maritimes have recorded a small gain in consumption. The central stations in that area report gains in export, electric boiler demand and motive power, commerce and domestic sales. While there are no marked changes, the increases are somewhat less than the average for the rest of the Dominion. Details follow:

MARITIMES
January to July
(Thousands of Kilowatt Hours)

	1935	1934
Production:	461,880	435,638
Less: Exports	8,910	7,823
Total supply	452,970	427,815
Distribution:		
Electric boilers	23,295	22,814
Industry, commerce and domestic	429,675	405,001
	451,970	427,815

Quebec Sets the Pace

Quebec leads all other areas in the increase in consumption of electrical energy. Not only have exports increased (largely on account of contracts held by Quebec utilities with Ontario Hydro), but boiler consumption has recorded another large gain, while motive power, commercial and domestic requirements are up over 10 per cent as compared with last year.

The breakdown of the power returns for Quebec is set forth hereunder:

QUEBEC
January to July
(Thousands of Kilowatt Hours)

	1935	1934
Production:	7,129,067	6,384,930
Less: Exports	1,551,857	1,374,870
Provincial supply ...	5,577,210	5,010,060
Distribution:		
Electric boilers	2,465,335	2,208,893
Industry, commerce and domestic	3,111,875	2,801,167
	5,577,210	5,010,060

Ontario Coming Back

Ontario has been making a rapid comeback in power consumption. At one time this province had a large surplus of energy, due to the decline in demand for motive power by small industries. The general pick-up in business added to the power load. In addition the use of electric steam boilers and the development of a hot water heater service at a flat rate by the Hydro Commission, have contributed substantially in taking up the slack. The following table, it should be noted, does not take into consideration the increased power deliveries by Quebec companies to Hydro as called for under contract but refused.

ONTARIO
January to July
(Thousands of Kilowatt Hours)

	1935	1934
Production:	3,802,126	3,530,566
Add: Imports less exports	840,658	674,580
Total supply	4,642,784	4,205,146
Distribution:		
Electric boilers	665,660	540,252
Industry, commerce and domestic	3,977,124	3,664,894
	4,642,784	4,205,146

Prairie Demand Better

The Prairie Provinces have recorded a good gain in power demand this year. Betterment of economic conditions in the area has stimulated production in many lines calling for the greater use of electrical energy. The recent re-opening of the Pine Falls newsprint mill should make for a marked pick-up in power consumption during the last five months of the year.

PRAIRIES
January to July
(Thousands of Kilowatt Hours)

	1935	1934
Production:	912,747	839,448
Add: Imports less exports	9,934	9,487
Total supply	922,681	848,935
Distribution:		
Electric boilers*	155,632	137,651
Industry, commerce and domestic	767,049	711,284
	922,681	848,935

*Manitoba only.

B.C. Holds Position

No material change has taken place in the British Columbia power situation this year. The increase in consumption is along the lines recorded in other provinces. While both export and electric boilers' sales are higher this year, the real improvement has come about through increased sales of power for motive power, commercial and domestic purposes.

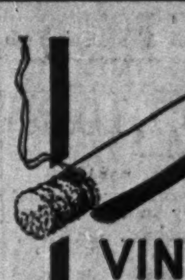
BRITISH COLUMBIA
January to July
(Thousands of Kilowatt Hours)

	1935	1934
Production:	864,479	805,116
Less: Exports	10,250	9,736
Total supply	854,229	795,380
Distribution:		
Electric boilers	1,376	1,098
Industry, commerce and domestic	852,853	794,282
	854,229	795,380

Canadian Power Situation

January to July
(Figures in Thousands of Kilowatt Hours)

Area:	Output	Exported	Imported	Consumption	Distribution: Electric boilers	Distribution: Motive pwr. commerce & domestic
Maritimes						
1935	461,880	8,910	....	452,970	23,295	429,675
1934	435,638	7,823	....	427,815	22,814	405,001
Quebec						
1935	7,129,067	1,551,857	....	5,577,210	2,465,335	3,111,875
1934	6,384,930	1,374,870	....	5,010,060	2,208,893	2,801,167
Ontario						
1935	3,802,126	....	840,658	4,642,784	665,660	3,977,124
1934	3,530,566	....	674,580	4,205,146	540,252	3,664,894
Prairies						
1935	912,747	....	9,934	922,681	155,632	767,049
1934	839,448	....	9,487	848,935	137,651	711,284
B. C.						
1935	864,479	10,250	....	854,229	1,376	852,853
1934	805,116	9,736	....	795,380	1,098	794,282
Canada						
1935	13,170,299	1,571,017	850,592	12,449,874	3,311,298	9,138,576
1934	11,995,698	1,392,429	684,067	11,287,336	2,910,708	8,376,628



VINTAGE TOBACCO MAKES PLAYER'S PLEASE

PLAYER'S are *better* cigarettes because *better* tobacco goes into them — and "It's the *tobacco* that counts." Into Player's we put only Vintage leaf. This is why Player's flavour is unmistakable.

Pull the red ribbon to open the wrapper.

Player's NAVY CUT CIGARETTES CORK TIP OR PLAIN

20 for 25¢

"IT'S THE TOBACCO THAT COUNTS"

GLOBE ENVELOPES

Makers of *Well Gummed* Envelopes

360 ADELAIDE STREET WEST—TORONTO

WHEN YOU'VE JUST HAD WORD TED HAS WON THAT SCHOLARSHIP . . . AND YOU'RE PLEASED AS PUNCH . . . AND SO IS HIS MOTHER . . .

Don't just take it out in smiling. Tell him he's a chip off the old block . . . via Long Distance.

● Night rates on "Anyone" (station-to-station) calls NOW BEGIN AT 7 P.M.

TUMBLING BONDS HIT REFUNDING GOV'T LOANS

(Continued from page 1)

chances of improving our financial position are very much injured instead of being helped.

"Money rates throughout the world are low. Money is more plentiful in Canada at lower rates of interest than has been the case at any time within the last thirty-five years. This money is available for the financing of the Dominion, the provinces and municipalities, providing people who have the trusteeship of this money can feel that the country will be honestly and economically administered, and that the obligations already incurred will be honored.

"Everyone recognizes that the burden of obligations in Canada is extremely onerous. But the experiences of England and France, on the one hand, and Germany and Russia on the other, indicate the tremendous advantage from every point of view of approaching the problem in an orderly and honest way, rather than in a ruthless and dishonest attempt to obtain relief from contractual obligations by the short cut of repudiation."

Investors Alarmed

Many investors who contributed to the trend to lower interest rates by purchasing low-yield government securities are now startled at the prospect of a possible additional and coercive reduction of income.

Letters which have been received in volume by bond houses and by The Financial Post in the past two weeks reveal that there is genuine investor nervousness over the prospect of a national debt conversion. The desire to sell is paramount.

Australia's Plan

Australia's arbitrary debt conversion scheme, by which rates on all government securities were arbitrarily reduced 22½ per cent is cited as an example of what Canada might do. It should be noted that the debt conversion in Australia was only part of a general economic scheme of national sacrifice. Other major features of Australia's rehabilitation plan were:

Reduction of real wages, rents, mortgage interest.

Depreciation of the currency to raise internal price levels.

Higher taxation and reduction of government expenditures.

As yet, these accompanying features of Australia's plan of economic repair have not been seriously suggested in Canada. Critics of the proposal to reduce interest rates on Canadian government bonds say that without broader application of the principle of sacrifice it would not be as fair or as effective in restoring economic equilibrium as was Australia's plan.

Coupon Rates Low

Coupon rates on the debt of the Dominion government and C. N. R. are lower than appears to be realized. This means, of course, that the savings from reducing rates might be less than is popularly imagined. This is indicated in the following tabulation of amounts owing at rates from ¾ to 5½ per cent:

Interest Rate	Amount	Percentage of Total Debt
¾ to 3½%	$1,145,766,678	28.17
3¾ to 4%	674,337,841	16.58
4½%	1,042,029,800	25.62
4¾ to 5½%	1,205,418,436	29.63
Total	$4,067,552,755	100.00

Of the $1.2 billion bearing 4¾ per cent or more, over one third matures within two years. Its conversion without a national rate reduction would, therefore, be no great problem. A sidelight on Mr. Bennett's debt proposal is that his government has issued or refinanced nearly two thirds of the Dominion government's direct debt. Hence his scheme involves cutting of interest rates on securities sold by his own administration.

Possible Saving

The difficulty of making marked progress in balancing Canadian government budgets only by cutting interest rates is indicated by the possible saving. Annual interest charges on all Canada's $7 billions of governmental dept are estimated reliably at about $300 million. Some $100 million of this is payable abroad and could not be reduced by a domestic conversion. If the remaining $200 million were cut by 25 per cent, the total saving would be $50 million annually.

The saving compares with a total addition to Canadian governmental debt due to deficits of $314.4 million in 1934. Even if $50 million were cut off this sum, the remainder would be $264.4 million. Moreover, government expenses are rising and the $50 million might soon be spent in some other way. In any event, the rise of debt would not be halted unless arrangements were made to correct the excess of expenditures or many other things than bond interest.

Contrast With Australia

There are marked distinctions between the position of Australia's government finances which led to her debt compromise and the position of Canadian governments.

Australia's action was "perhaps one of the worst examples" is the opinion of Professor Herbert L. Stewart of Dalhousie University in an article in The Financial Post last year. Said he:

"The case for Australia is that she had no real option. Thanks to the wild financing of successive governments, she simply could not raise the funds needful to meet her obligations, and her only possible recourse was to cut down the amount she had promised to pay. So she cut in every direction—salaries, pensions, wages, finally bond interest."

Contrast Tabulated

One difference between the position of Australia and Canada is indicated in per capita debt and interest burdens tabulated below:

Debt and Debt Charges 1934
Federal, provincial, municipal

	Australia	Canada
	$	$
Debt per capita	947.70	627.30
Int. charges per cap.	*38.79	28.17

*After 22½ per cent cut in 1931.

Another way of comparing the relative position is to go back to 1930 when Australia's difficulties were becoming grave In that year per capita production in Australia was $283, compared with $340 for Canada. Also Canada's production is more diversified than that of Australia.

Three Courses

There are three broad methods by which Canada's problem of rising government debt might be handled.

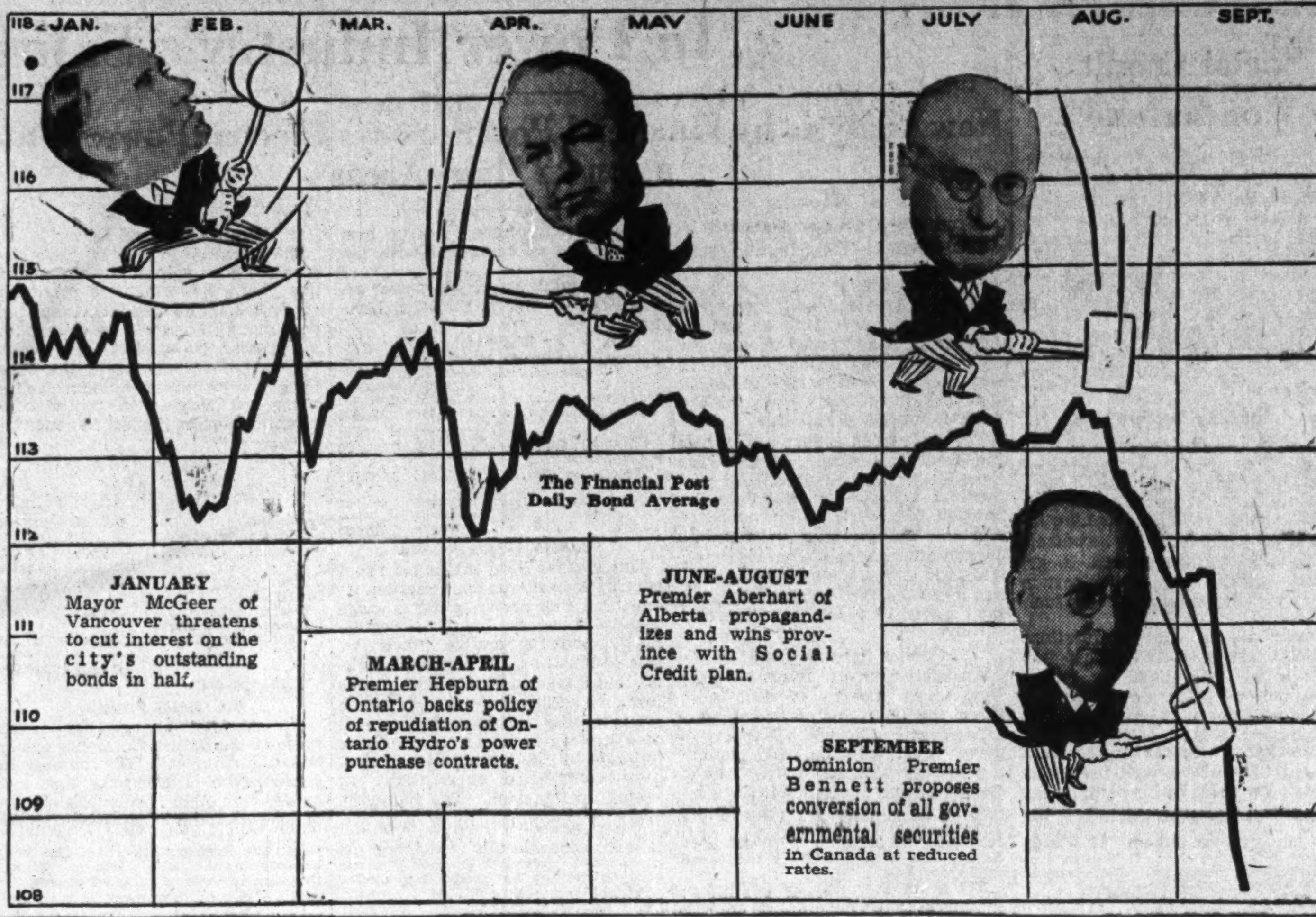
First there is the method of partial repudiation exemplified by the conversion proposal. Unfortunately, this bears heavily on small investors or on the thousands who hold life insurance policies and similar credits. The burden does not fall on the wealth of corporate ownership.

Second, there is inflation. Controlled credit inflation in Great Britain, Australia, Argentina and other countries has given relief from debt burdens. Currency depreciation is sometimes urged as a solution for Canada's problem of low prices in relation to debt.

Third, there is taxation. This method of providing revenue to prevent increases of debt allows imposition of the burden as nearly as possible on those capable of paying.

Up to the present, Canada has followed the policy of reducing percentage charges on government debt by a gradual refinancing of maturing obligations without a hint of repudiation. The proposal to undertake a gigantic coercive conversion is an abrupt reversal of this policy.

Political Anvil Chorus Rings Down Bond Prices



Company Earnings Reports

Paramount Pictures

Paramount Pictures, Inc., net earnings after reserves for the second quarter of 1935 are shown at $796,000. This company with $1.5 millions shown for the first quarter. It has been intimated that the third quarter also is likely to be lower.

The quarterly statements exclude expenses incident to the bankruptcy and reorganization of the parent company. It does not include the results of operations of Olympia Theatres and Minnesota Amusement Co. and certain indirectly owned subsidiaries which were in receivership or bankruptcy.

The second quarter's earnings reflect seasonal factors, and the adverse effect of the temporary slowing down of production resulting from the reorganization of the studio management undertaken early in the year is still being felt. Studio production is stated to be increasing.

Second Quarter

	Quarter Ended June 30,'35
	$
Operating earnings* ..	1,289,500
Dividends†	76,800
	1,366,300
Exchange adj.	216,200
	1,582,500
Less: Int. bk. settle.**	55,000
Est. Fed inc. taxes..	195,000
	1,332,000
Interest new deb.†† ..	400,000
	932,000
Res. for losses***	136,000
Estimated net	796,000

*From wholly owned or substantially owned subsidiaries. †From non-consolidated subsidiaries. **Non-recurring after June 29, 1935. ††These bear interest from January 1, 1935, in accordance with plan of reorganization. $400,000 is approximate amount for second quarter. ***This is against losses of Paramount Broadway Corp. and companies which are inactive or whose future status is uncertain.

National Steel Car

Continued absence of railroad car buying is reflected in the financial report of National Steel Car Co. for the fiscal year ended June 30, 1935. This statement shows a net operating loss of $203,294, or slightly less than in the preceding 12 months. This adverse showing is reflected in the working capital position which declined over $200,000 during the year, while holdings of Government bond were reduced from $413,400 to $294,675.

Since the end of the company's fiscal year a big programme of equipment buying by the Canadian Pacific and Canadian National, under the auspices of the Dominion Government, has developed and National Steel Car has been assured of a fair proportion of the business.

Income & Surplus Account
Year ended June 30

	1935	1934
	$	$
Operating loss	203,294	229,756
Depreciation	50,000	50,000
Loss	253,294	279,756
Add prev. cap. & surp.	*266,841	4,980,923
P. & L. Bal.	*13,547	†4,701,167

*Earned surplus. †Capital and surplus.

Working Capital

	1935	1934
Current assets	681,200	889,181
Current liabilities	32,058	25,222
Work. cap.	649,142	863,959

Western Grain Co.

A smaller reduction of earnings than might have been expected is reported by Western Grain Co. in the year ended July 31, 1935. Net earnings were less than $5,000 below those of 1933-34 despite unsatisfactory crops in southern Saskatchewan last year.

Although a larger deduction was made for depreciation than in 1933-34, working capital increased over $109,000 in 1934-35. This increase is due, of course, to suspension of sinking fund and to the fact that the company actually earned more than bond interest before depreciation.

Comparative results follow:

Income and Surplus Account
Years Ended July 31

	1935	1934
	$	$
Net earnings	249,066	254,524
Less: Bond interest ...	164,396	169,161
Depreciation	145,725	116,050
Directors' fees	1,200	1,250
Add: Divs. on invt. ...	1,450	7,278
Net loss	60,805	24,659
Prev. surplus	136,782	165,684
Add: Surplus from bonds redeemed	9,080	18,857
Less: tax adjust.	......	23,100
Surplus forward	85,057	136,782

Working Capital

	1935	1934
Current assets	3,317,906	4,538,542
Current liabilities ...	2,671,326	4,001,422
Working capital	646,580	537,120

Fanny Farmer

Higher sales and profits for the month of August and for the eight months ended Aug. 31, 1935, are reported by Fanny Farmer Candy Shops Inc. Persistent gains in sales and profits have been reported throughout the current year. Comparative figures follow:

Sales and Profits

Month of August:	1935	1934
	$	$
Sales	350,805	316,203
Profits	46,427	43,284
Eight Mos. end. Aug. 31:		
Sales	2,807,956	2,413,387
Profits	219,601	168,858

Dominion Woollens

Dominion Woollens & Worsteds Ltd., had a net loss of $238,756 in the year ended June 30, 1935, without making allowance for depreciation. This compares with a profit of $227,854 on a comparative basis in the 1933-34 year. Influences causing this deterioration are discussed elsewhere in this issue.

Surplus accounts reflect changes due to the reorganization of capital adopted early in 1935. The 1934-35 loss, plus reorganization expenses, has been written off surplus. Owing to cancellation of bond interest accruals, book surpluses of 1933 and 1934 were adjusted upward. Additional depreciation and income tax for 1934 were deducted. The final balance of $519,626 carried forward in surplus account is a capital surplus, all earned surplus having been wiped out by operating losses.

Working capital shrank over $330,000, chiefly on account of the 1934-35 deficit occasioned by inventory losses. It is believed that inventories are carried this year at a conservative level so that the actual working capital position may not be much worse than in 1934 when wool was falling.

Itemized income and surplus changes compare as follows:

Income and Surplus Account
Years ended June 30

	1935	1934
	$	$
Operating loss	224,007	*241,786
Bad debts prov.	9,971	13,932
Amort. pwr. leases ..	3,338	......
Directors' fes	1,440	......
Net loss	238,756	*227,854
Less: depreciation ...	......	92,000
Bond int. unp'd. ...	......	127,020
Int. on interest	......	10,161
Deficit for year	238,756	1,327
Add: Reorg. exp.	19,223	......
Total debits	257,979	1,327
Credits:		
Prev. cap. surplus	†765,125	627,520
Prev. earned surp.	†12,480	
Surplus forward	519,626	626,193

*Earnings. †After reorganization and other adjustments, tabulated below:

Earned Surplus Adjustment
Year Ended June 30, 1935

	$
Deficit at June 30, 1934	1,327
Add: Addit. depreciation, 1934 ..	110,513
Addit. income tax, 1934	2,700
Credit: 1934 bond int. cancelled	127,020
Adjusted surplus, 1934	12,480

Capital Surplus Adjustment

	$
Credit at June 30, 1933	627,520
Add: Accr. bond int. cancelled ..	137,605
Adjusted surplus, 1933	765,125

Working Capital

	1935	1934
	$	$
Current assets	1,242,899	1,596,004
Current liabilities	800,585	816,993
Working capital	442,314	779,011

B. C. Power

British Columbia Power Corp. net profits were larger in the year ended June 30, 1935, than was the case in the previous year, having amounted to $1.68 a share on the Class A stock compared with $1.65. Gross revenues were up over $400,000 during the year but net profits were only fractionally higher due to partial restoration of wages and salaries and heavy costs entailed by repairs necessary as a result of last winter's storms.

Report on operations shows further progress in all departments especially in the railway division which has not been faring too well in recent years.

During the year the sinking fund became operative on the company's own bonds, the amount outstanding being reduced from $14 millions to $13,909,000. Subsidiary bonds were unchanged with the exception of Western Power Co. first mortgages which were reduced by about $37,000.

Income and Surplus Account
Years Ended June 30

	1935	1934
	$	$
Gross revenue	13,030,091	12,626,674
Less: Oper. expenses..	5,560,465	6,065,548
Income taxes, etc. ..	1,434,829	518,723
Deprec. & renewals	1,844,220	1,825,202
Net revenue	4,190,577	4,217,201
Less: Bond int., etc. ..	2,505,504	2,571,771
Net profit	1,685,073	1,645,430
Less: Class A divds. ..	1,500,000	1,620,000
Balance	185,073	25,430
Brought forward	1,034,691	1,009,261
Carried forward	1,219,764	1,034,691

Federal Grain

Federal Grain Ltd. reports earnings for the year ended July 31 last on practically the same basis as in the preceding twelve months. Net income was sufficient to take care of the usual depreciation, bond interest and other charges, leaving a balance of $14,194 compared with $10,749 in 1934.

The balance sheet dated July 31, 1935, shows an improvement in net working capital from $866,756 to $1,184,137. The most marked change was a reduction in bank loans from nearly $5.6 millions to less than $2.5 millions. This is reflected in stocks on hand which declined from $6.6 millions to $3.6 millions. Through operation of the sinking fund, funded debt was reduced during the year $138,500 to $3,654,000.

Income and Surplus Account
Years Ended July 31

	1935	1934
	$	$
Operating profit	679,033	695,125
Invest. income	10,184	10,127
Gross revenue	689,217	705,252
Less: Depreciation	439,044	437,084
Bond interest	219,240	234,155
Directors' fees	1,500	3,500
Net revenue	29,434	30,513
Less: Income tax	10,000	10,000
Organ. expense	7,500	7.384
Loss on assets	......	2,380
Add: Fire loss adjust.	2,260	......
Net profit	14,194	10,749
Previous surplus	471,311	*460,562
Carried forward	485,505	471,311

*Adjusted.

Alberta Pacific

Moderate improvement in earning power, increase in net working capital, and a strengthening of balance sheet position, find reflection in the annual statement of Alberta Pacific Grain for the twelve months ended June 30 last. Net earnings increased by nearly $100,000 to $524,136. This was sufficient to take care of bond interest and a depreciation charge $100,000 larger than reported a year ago.

The balance sheet shows a reduction in stocks, which in turn brought about a lowering of bank loans to slightly over $3.3 millions. There is no change in the funded debt.

Income and Surplus Account
Years Ended June 30

	1935	1934
	$	$
Net earn.	524,136	436,821
Depreciation	352,614	251,507
Oper. inc.	171,522	185,314
Invest. inc.	7,290	......
Total income	178,812	185,314
Bond int. & exch.	161,822	165,834
Balance	16,990	19,480
Oper. loss subs.	......	6,480
Balance	16,990	13,000
Directors' fees	500	1,000
Balance	16,490	12,000
Tax prov.	12,000	12,000
Net profit	4,490	......

Working Capital

	1935	1934
	$	$
Current assets	3,802,105	4,602,106
Current liabilities	3,557,969	4,621,300
Working capital	244,136	*19,194

*Excess of current liabilities over current assets.

N. Bawlf Grain

N. Bawlf Grain Co.'s financial statement for the year ended July 31 last shows a gross income of $97,492, or about one-half of that reported in the preceding twelve months. By reducing the appropriation for depreciation reserve, all senior charges were covered.

The balance sheet shows an improvement in working capital position during the year from $298,385 to 0366,005. The Peaner Gibson Grain Co. has now become a fully-owned subsidiary, while the funded debt of another subsidiary, Bawlf Terminal Elevator Co. was reduced by $35,000 to $335,000 during the year.

In his report to the shareholders R. W. Milner, president, pointed out that the volume of grain handled in 1934-35 was less than in the previous year due to the short crop. As for the coming year's business, he says that crop reports indicate that the company will again have reduced handlings.

Income and Surplus Account
Years Ended July 31

	1935	1934
	$	$
Operating income	96,682	....
Invest. income	810	....
Total revenue	97,492	194,919
Less: Depreciation ...	72,330	141,525
Interest	22,072	25,865
Directors' fees	1,750	....
Prop. adjustment ..	....	9,685
Income tax	267	4,800
Surplus	1,063	13,044
Previous surplus	416,551	403,507
Less: Adjustment	34,199	....
Carried forward	383,415	416,351

Vancouver West. Drug Co.

Vancouver Western Drug Co. reports a 20 per cent increase in operating profits for the year ended May 31, 1935. Increased sales in the company's 31 retail stores have continued in the current fiscal year. Shipments to the Prairie Provinces and to Eastern Canada have also gained.

Directors elected are Dr. G. H. Worthington, P. H. Merrin, Stanley Burke, W. T. Johnston, C. H. Wilson, D. W. Ross, E. R. Crowe, C. N. Wood and H. H. Jones.

Income Statement
Years Ended May 31

	1935	1934
	$	$
Oper. profit	74,243	61,006
Less: Interest	16,807	14,635
Deprec.	25,127	29,319
Income taxes	10,500	7,287
Net profit*	21,809	9,765

*At the outset of the year surplus was $61,531. It paid $17,000 cash in December to pay off arrears and started dividends at full rate which would require $25,000 annually. Only one-quarter of that would be paid before the fiscal year ended.

Can. Industrial Alcohol Appeals Lawsuit Decision

From Our Own Correspondent

MONTREAL.—Superior Court of Wilmington, Dela., has denied the Canadian Industrial Alcohol Co. a new trial in a suit brought by James R. Nelson and Joseph E. Richards, of New York and Montreal. Notice of an appeal has been filed with the State Supreme Court on behalf of the company.

Canadian Industrial Alcohol was sued for $1.5 million as commissions for handling a sale of whisky stocks. A jury last May gave a verdict of $100,000 and costs against the company.

Sales Decrease Now Lessening of Dom. Stores

Dominion Stores sales in the four-week period ended Sept. 7, showed a decline of 4.3 per cent in dollar volume through 3.9 per cent fewer stores than in the 1934 period. Number of stores operated in this year's period was 487 compared with 508 in the corresponding 1934 period.

For each of the first seven four-week periods of this year, sales were from seven to 13 per cent lower than in the corresponding 1934 periods. In the eighth period, the sales decline was only 4.27 per cent and this comparative improvement was maintained in the ninth period which ended Sept. 7.

Diminution of the decline of sales is shown by comparison of the percentage drop for the four weeks with that for the year to Sept. 7. Comparative figures follow:

Dominion Stores Sales

	1935	1934	Decline
	$	$	%
4 wks. to Sept. 7	1,290,685	1,349,303	4.34
36 wks. to Sept. 7	12,039,108	13,199,058	8.79

Hamel, Fugere & Co. Offers Bonds of Little Sisters

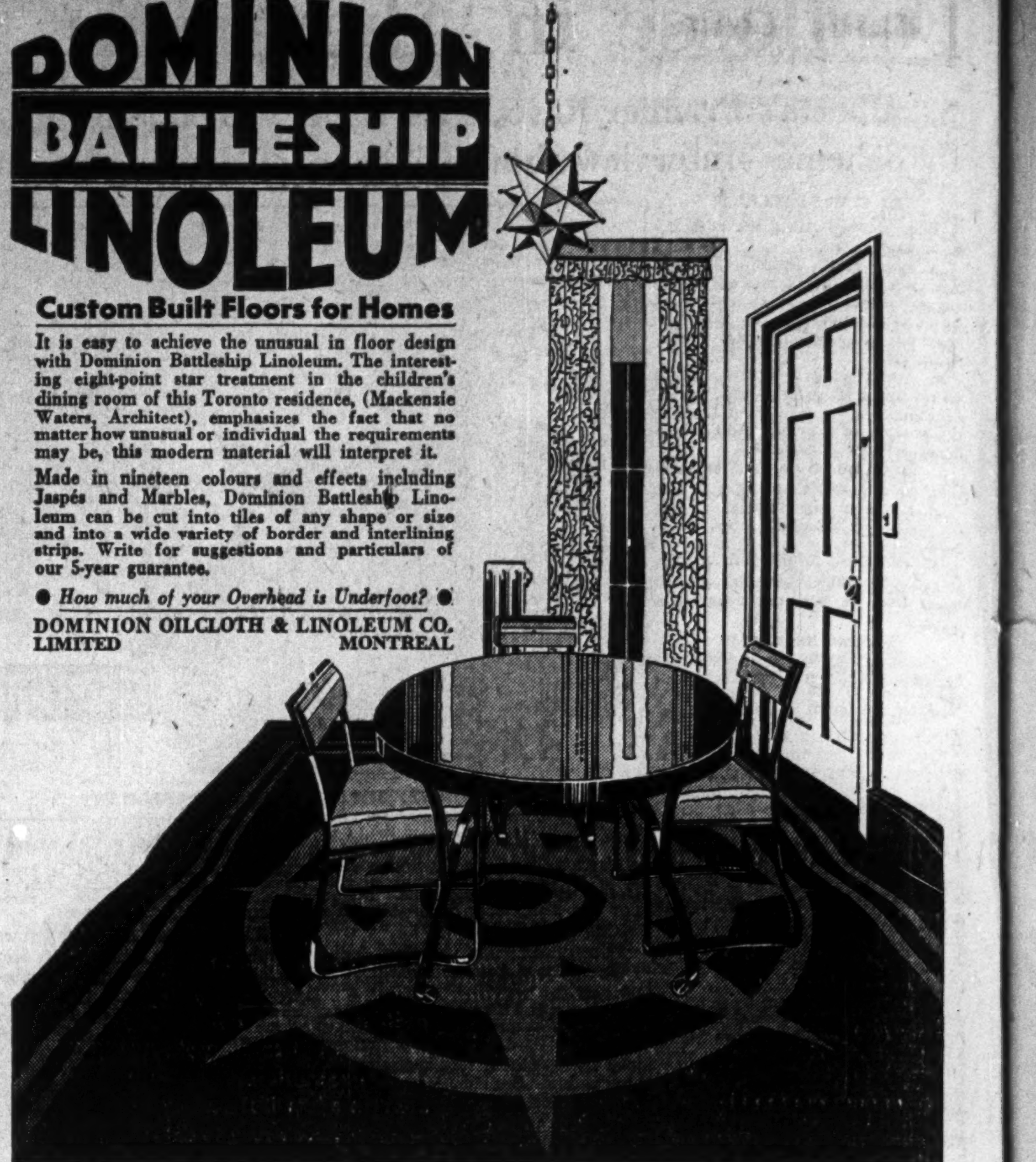
From Our Own Correspondent

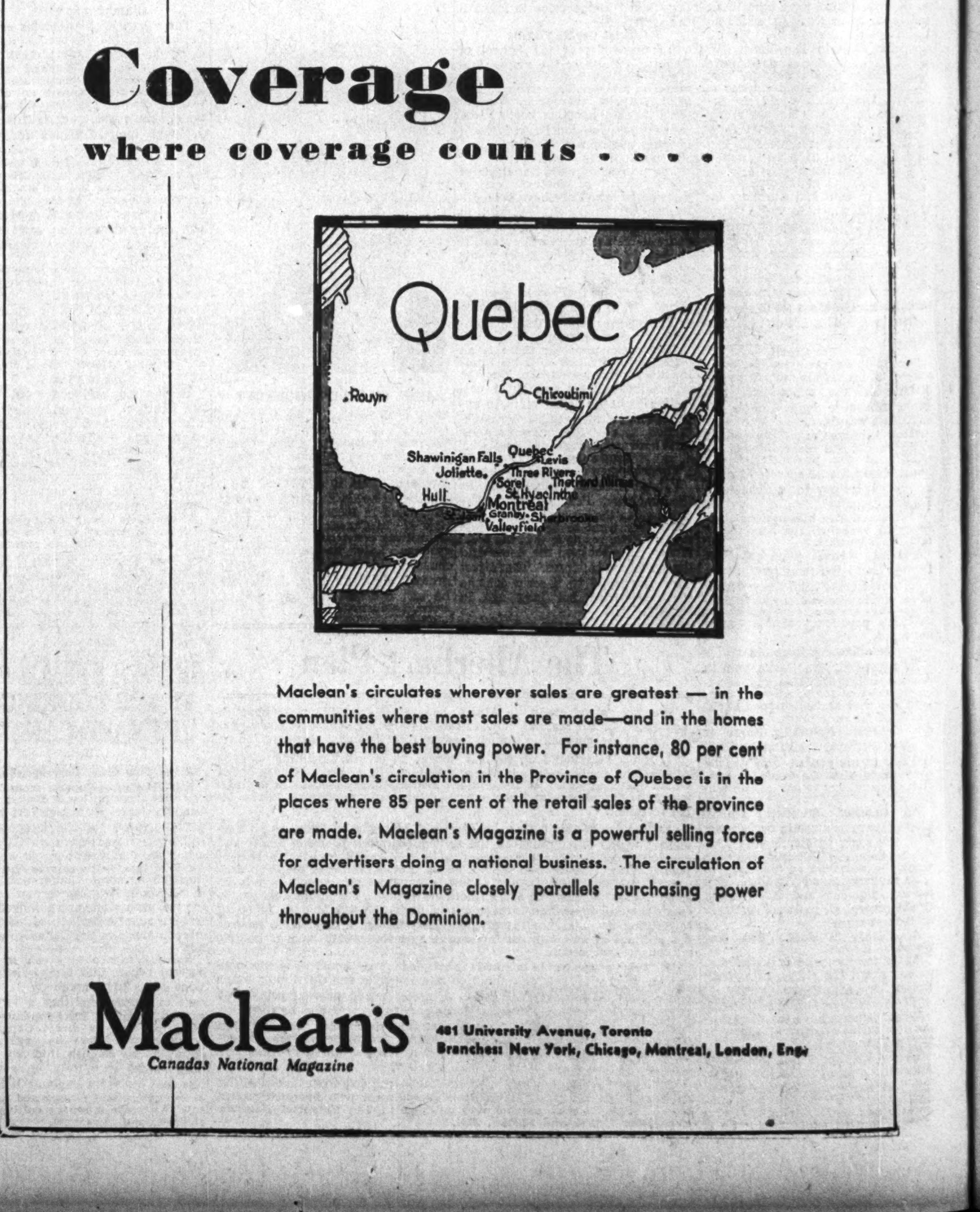
MONTREAL.—Hamel, Fugere and Co., of Quebec City, are making a public offering of $425,000 of 4 per cent first mortgage bonds of Les Petites Soeurs de la Saint Famille, Sherbrooke, at par and accrued interest. These bonds are redeemable in one to 14 years and are secured by the general credit of the Order as well as a specific first mortgage on the headquarters building and property of the Order located in Sherbrooke and valued at better than $1 million.

Proceeds of the issue are being used to retire the balance of the outstanding 5 per cent bonds, of which $500,000 were issued in 1933.

Alberta Fairs Popular

A considerable increase in attendance at the Calgary Stampede and the Edmonton Exhibition is officially recorded for this season. At Calgary more than 222,000 persons passed in through the gates while the total at Edmonton was more than 125,000 — several thousand above the 1934 figures in both cases.


DOMINION BATTLESHIP LINOLEUM
Custom Built Floors for Homes
It is easy to achieve the unusual in floor design with Dominion Battleship Linoleum. The interesting eight-point star treatment in the children's dining room of this Toronto residence, (Mackenzie Waters, Architect), emphasizes the fact that no matter how unusual or individual the requirements may be, this modern material will interpret it.
Made in nineteen colours and effects including Jaspés and Marbles, Dominion Battleship Linoleum can be cut into tiles of any shape or size and into a wide variety of border and interlining strips. Write for suggestions and particulars of our 5-year guarantee.
● How much of your Overhead is Underfoot? ●
DOMINION OILCLOTH & LINOLEUM CO. LIMITED MONTREAL



Coverage
where coverage counts . . . .
Maclean's circulates wherever sales are greatest — in the communities where most sales are made—and in the homes that have the best buying power. For instance, 80 per cent of Maclean's circulation in the Province of Quebec is in the places where 85 per cent of the retail sales of the province are made. Maclean's Magazine is a powerful selling force for advertisers doing a national business. The circulation of Maclean's Magazine closely parallels purchasing power throughout the Dominion.
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Bank Chat

Credit Worthy?

NO LESS a personage than the Mayor of Winnipeg was selected by a young Nuremberg shoemaker to act as an accomplice in obtaining a loan which had been refused by his bank. The young German had some scheme in mind which was not sufficiently concrete to appeal to hard-headed money lenders of his own land. Consequently he conceived the bright idea of having an official in some other country write to his home town stating that a relative had died bequeathing him a large estate.

Thus he suggested that the Mayor of Winnipeg forward a letter stating that Herr Carl Eckert, "a large livestock and fur and hide dealer" had passed away and left his only grandson an estate of $12,000. He confidently expected that money lenders would then be only too anxious to supply the necessary. He could carry out his plans with ease and in a short time repay the loan—maybe.

As commission, the Mayor was offered a box of genuine Nuremberg cake.

• • •

A View on Hoarding

PROFESSOR Chas. Rist, noted French economist, writing in the current monthly review of Lloyd's Bank, contends that monetary instability is the cause of widespread hoarding of gold, a factor which more than any other, he believes, is retarding the rise in prices and employment.

"Thus, in Great Britain," he says, "despite the export of considerable amounts of gold, the surplus of imports over exports of gold during the past three years amount to 6,000 millions of Swiss francs. Now the world production of gold during the same period of three years is 7,000 millions of Swiss francs. The totals approximate to each other and the conclusion is manifest; the amount of gold hoarded is nearly equal to the fresh amount extracted from the mines."

According to the professor, it is hopeless to expect recovery in prices so long as gold is not being sold in central banks in exchange for increased currency circulation. What is essential, if prices are to rise is, in his view, that all the great central banks purchase gold at a fixed price.

• • •

A Banker Baronet

IRELAND'S second oldest baronetcy, created in 1621, has reverted to Gerald E. F. Aylmer, retired banker of Montreal. Prior to his retirement in 1930, Sir Gerald had been for 14 years manager of the Peel Street, Montreal branch of the Bank of Montreal. The new baronet will visit Ireland to settle matters there, but intends to live in Canada.

It is believed, however, that Sir Gerald's title differs somewhat from that of the "money barons" of whom the more radical agitators have been so critical.

• • •

Service Co-operation

ACROSS the line, an alert banker noted how his favorite theatre had levelled off peak attendances by lower prices at earlier hours. Perceiving how successfully it was working out, he decided to see if some means could not be devised to meet peak hours at his bank.

The point at which to start was obvious; the combination of squeezing a full day's work into one morning, the ever-present last minute rush, demands to meet payrolls and cashing of pay cheques made Saturday a bugbear. Two main avenues of attack were used. First, industrial customers were requested, in their own interests, to send in on Thursday or Friday, the amount of their payroll; in addition to assisting the bank, this eliminated costly delays while waiting for the amount to be made up. Second, an attractive card was issued to general depositors pointing out that there was usually a rush on Saturday after eleven o'clock and asking that they bank before that hour.

Results have been most encouraging. Most of the tellers report that the strain has eased greatly, and operating departments back up this statement. The banker in question is now planning to carry on a similar campaign to relieve late afternoon peaks on the other days of the week.

Weekly Bank Clearings

	Sept. 12 1935 $	Change year ago %	Sept. 5 1935 $
Halifax	2,527,188	+ 7.1	2,179,680
Saint John .	1,536,199	— 4.2	1,492,214
Moncton ...	649,728	+ 8.8	628,188
Sherbrooke	603,805	+ 16.1	577,726
Quebec	5,236,203	+ 40.4	3,760,519
Montreal ...	79,616,632	— 6.1	95,259,728
Ottawa	18,204,095	+373.9	15,162,293
Kingston ...	524,653	— 4.5	494,691
Peterborough	740,647	+ 8.4	555,598
Toronto	100,340,379	+ 14.6	106,464,826
Hamilton ..	4,267,337	+ 31.5	3,488,296
Kitchener ..	871,715	+ 2.3	837,347
Brantford ..	758,866	+ 12.8	659,080
London	2,763,484	+ 27.5	2,407,781
Chatham ...	401,938	— 7.5	344,984
Windsor	2,077,746	+ 19.3	2,112,030
Sarnia	477,100	+ 15.3	388,047
Sudbury ...	857,650	+ 12.8	689,013
Fort William	596,154	— 8.3	548,465
Winnipeg ..	60,307,386	— 15.4	61,215,568
Brandon ...	285,995	— 17.7	291,241
Regina	4,743,596	— 26.5	3,584,350
Moose Jaw .	573,622	+ 15.9	571,632
Saskatoon ..	1,491,805	+ 2.2	1,368,349
Pr. Albert .	331,250	+ 7.2	296,703
Edmonton ..	3,419,122	+ 5.5	3,663,924
Calgary	5,434,393	— 16.3	5,158,850
Medicine Hat	359,894	+ 34.8	298,137
Lethbridge .	556,461	+ 20.8	......
N. W'minster	613,954	+ 2.4	583,960
Vancouver .	13,786,397	— 2.9	16,782,625
Victoria ...	1,523,283	— 4.1	1,535,765

Foreign Exchange Markets

FOREIGN EXCHANGE AT TORONTO AND MONTREAL

	Par $	Sept. 10	Sept. 11	Sept. 12	Sept. 13	Sept. 14	Sept. 16
U. S. dollar, High	.5906	1.00 1/16	1.00 1/16	1.00⅜	1.00 11/32	1.00 11/32	1.00 11/32
Low	.5906	1.00 1/32	1.00 1/32	1.00¼	1.00 1/16	1.00 11/32	1.00 1/16
1934, High	.5906	.97⅛	.97 1/32	.97 1/16	.97 3/32	.97 1/16	.97 1/32
Low	.5906	.96 11/16	.96⅞	.96⅞	.97	.97 1/32	.97 1/32
U. K. pound	4.8665	4.95¼	4.95½	4.94¼	4.96¾	4.97½	4.97¼
Argentina	.4246	.2698	.2703	.2693	.2708	.2703	.2703
Australia	4.8665	3.9564	3.9564	3.9569	3.9696	3.9706	3.9722
Austria	.1407	.1901	.1901	.1899½	.1946½	.1902½	.1906¾
Belgium	.1392	.1692	.1693	.1693¾	.1695	.1696¾	.1700
Brazil	.1963	.0542	.0541½	.0546¾	.0522½	.0552	.0553½
Czechoslovakia	.0296	.0416	.0415½	.0415½	.0416	.0416¼	.0416¾
Denmark	.2680	.2214	.2213¼	.2212½	.2216½	.2219	.2220¾
France	.0392	.0661	.0661	.0661¼	.0662	.0662½	.0663¼
Germany	.2382	.4036	.4037½	.4037¾	.4043½	.4047	.4051
Greece	.013	.0094¾	.0094½	.0094½	.0095	.0095	.0095¼
Holland	.4020	.6777	.6781	.6781	.6769½	.6771½	.6792
Hungary	.1749	.2973	.2974	.2975	.2978	.2980	.2983½
India	.3650	.3780½	.3778¾	.3777	.3778½	.3788¾	.3793½
Italy	.0526	.0817	.0818	.0817¼	.0818	.0818½	.0818½
Japan	.4985	.2918	.2919	.2920	.2920¾	.2929½	.2930
Jugoslavia	.1929	.0229¾	.0230	.0230	.0230	.0230¼	.0230½
New Zealand	4.8665	3.9963	3.9963	3.9968	4.0096	4.0106	4.0121
Norway	.2680	.2490	.2491	.2490½	.2497	.2500	.2498½
Poland	.1122	.1898	.1898	.1898	.1900	.1900	.1906
South Africa	4.8665	4.9306	4.9306	4.9312	4.9471	4.9483	4.9503
Spain	.1929	.1371	.1370¾	.1370½	.1373	.1373	.1375
Sweden	.2680	.2556	.2556	.2555¾	.2562	.2565¾	.2564
Switzerland	.1930	.3265	.3264½	.3265	.3267	.3269	.3271¾
Hong Kong	.5422	.4984	.5006	.5017	.5097	.5095¼	.5157

Banks Levy Cheque Charge To Offset Lower Revenues

Number of Branch Managers Now Make Charge on Unprofitable Accounts to Cover Cost of Service — Earnings Prospects Not Bright

In order to offset in some measure, steadily declining earnings, a number of branch bank managers have adopted the practice of making charges for chequeing privileges. Several instances which have recently come to the attention of The Financial Post have called for a service charge of five cents on each cheque, and a minimum of 50 cents monthly if an unprofitable balance is maintained on savings accounts, or less than $250 on current accounts. The majority of depositors who have been affected, apparently resent the action, particularly in view of cuts in rates on deposits.

A Branch Proposition

Bank officials state that the policy has not been directed from head office. For a good many years banks have had authority to levy such charges. Actual enforcement, however, has been, and still is, left to the discretion of branch managers. When profits were at a fair level, the practice was not generally followed, although in the West some clearing houses established definite rates.

Now, after a five-year contraction of loans to a record low level, and with the consequent investment of funds in relatively low interest bearing securities, banks have been forced to adopt whatever measures they can in order to keep earnings as high as possible. A tightening up in service charges has been one of these measures.

There are three factors involved: The size of the account; the cost of the service required; and the interest earned on the money in the account. The public generally does not realize that even in good times, quite a large proportion of accounts do not earn sufficient to carry themselves. That is, the size of the account is not sufficiently large, relatively to the cost of its maintenance, to earn enough to be profitable. No exact calculation has been made as to the cost of maintaining an account, but it is roughly estimated that, on a savings account, a balance of $100 will carry four cheques a month.

The proportion of unprofitable accounts has jumped enormously in recent years, inversely following the lower return on invested funds. Some indication of the trend of earnings may be seen in the fall of long term interest rates from roughly five per cent to under three, and of short term rates from nearly five to less than one. While the increase in market value of securities compensates to some extent for the fall in yield on long term holdings, there is no similar compensation to counteract the even heavier drop in short term rates. Moreover, bank loans, the most lucrative field of investment, have declined drastically. The percentages of call and current loans in Canada to total deposits in Canada was 48.8 at the end of July, 1935; at the same date five years ago, it stood at 75.2.

Some alleviation of the problem was given by reductions in interest rates allowed on deposits, but these were made largely to meet conditions already existing at the time they were effected. Since then the position has been aggravated considerably. Generally speaking, the policy of the banks has been influenced by the belief that sooner or later the financial situation would return to normal. It has not as yet; and at the moment, prospects do not appear any too bright.

Outlook Not Hopeful

Even if business activity picks up to the extent of requiring a substantial amount of new capital, it is probable that advantage will be taken of the low rates currently prevailing in the security markets. It is quite possible that this means will be also used to pay off loans contracted from banks during the depression. These factors are considered likely to offset in some degree business which would go to the banks.

In the light of the present situation, it is believed by some financial men that charges on unprofitable accounts may become more general and even stiffer measures may be required, if dividends on Canadian bank shares, are not to be affected.

Currency Co-operation

Objectives of Central Banks to Restore Gold Standard and Smooth Business Fluctuations

From Report of Bank for International Settlements, Basle

What are the principal objectives of central bank collaboration?

The first is the restoration and the maintenance of a stable international monetary system based on gold. The continuance of a restored and improved system involves uninterrupted contact in applying a revised technique of operating the standard.

Central banks perceive the defects of the gold standards as disclosed by the past, as well as they realize the infinitely greater weakness of managed currencies without metallic base. They recognize that an international gold standard is a living, not a static, thing and that the lessons of continuing experience are capable of improving it. They appreciate that in the future more conscious (and preferably joint) direction is requisite to enable the system to function in a more satisfactory and human manner. The strictly automatic working of the gold standard is possible only in a world where the play of other economic and financial phenomena is permitted to be automatic also. Deliberate efforts, governmental, corporate, or from organized groups, to effect these phenomena through measures of design entails also the employment of a degree of design in the working of the monetary standard to keep it from breaking down from causes due to these very interferences with the normal workings of natural economic laws.

Second Objective

The second object of collaboration is to attempt, as far as is possible by monetary and credit measures, to smooth out the business cycle, and to contribute toward a greater equilibrium in the general level of economic activity. Put otherwise, the second objective implies a recognition that, within the limits of their specific powers, it is an appropriate goal of central bank policy to attempt to reduce undue fluctuations in the purchasing power of gold, and thus to contribute toward bringing about a greater measure of stability in the value of money.

Central banks have often underestimated even the limited extent of their capacity to act upon price levels over the credit medium, not only because this is but one of the forces affecting the price structure, which may be offset by others, but more especially because any popular illusion that central banks alone have adequate powers to govern prices in general would constitute a fallacy most dangerous to foster. Yet by credit policy, including the use of the discount rate, control of short-term funds and exercise of influence in connection with long-term lending, central banks can contribute notably toward lessening sharp movements in the purchasing power of national and international monetary systems based on gold, the one metal which all the world seeks and wants.

Methods of Collaborating

How collaborate?

By frequent meetings, visits, incessant exchange of information, common consultation and joint discussion, all to the end that at least mutual understanding may ensue, if not indeed harmonious action. In monetary matters, the psychological attitudes prevailing on the various markets are often factors of very great importance; to convey a correct impression of elusive psychological influences is always difficult, but it can certainly be done most easily by word of mouth. It is not generally realized how much progress has already been made to promote greater contact between banks of issue, in addition to the exchange of personnel, repeated visits and direct liaison between central banks.

U.S. Notably Aloof

As long, however, as the monetary authorities of the United States do not participate in the Bank for International Settlements, a cardinal hiatus exists in the principle and sufficiency of central bank collaboration.

Co-operation No Panacea

Too much should not be expected from the co-operation of the central banks. It is not a panacea for economic ills, although its realization would greatly contribute toward their prevention in some instances, or toward their alleviation in many others. The difficulties surrounding effective collaboration are many, and not the least is that those efforts at reconstruction, and the maintenance of stability, which lie within the powers of central banks, are unfortunately subject to being offset or destroyed by developments in the political and economic fields.

Difficulties of Co-operation

Questions of prestige and unsettled problems of policy also tend to separate the centres; while the spirit of nationalism, though not so strong as in political agencies, frequently influences banks of issue to proceed as if the national sovereignty were at stake in questions affecting the national currency and credit policy. Furthermore, co-operation to secure the fundamental objectives above mentioned is subject to inherent difficulty which pertains to reaching common agreement on the proper interpretation of the world economic and financial situation and to arriving at an accord as to what is to be done about the apparent position, and when and where the concerted action is to be undertaken.

This is not so much a criticism of co-operation as a principle or as an ideal, but rather of the lack of perfection in its working, because it involves delicate human judgments; and human interpretation and prognosis are subject to error. Whether or not errors have been committed in the past, it remains true that decisions based on the judgment of central bankers will have to be taken in the future. Absolute certainty cannot be achieved. And while the fallibility of human kind is not likely suddenly to be translated into unerring exactitude, nevertheless the best assurance of a balanced, intelligent judgment must come from the continuous study and interpretation of an increasing quantity of available statistics and of financial and economic material, which central banks should exchange with one another directly and through the Bank for International Settlements.

Hodgson & Co. Publishes Record of Dividend Stocks

From Our Own Correspondent

MONTREAL.—C. J. Hodgson and Co., members of the Montreal Stock Exchange and Montreal Curb Market, have issued a comprehensive list of Canadian dividend stocks listed for trading on the Montreal exchanges. The leaflet is divided into four sections: dividend-paying preferred stocks, bank stocks, dividend-paying common stocks, and cumulative preferred stocks in arrears of dividends. All particulars regarding dividends, current yield, earnings, arrears and market price are set forth in the review.

Bank of Canada Weekly Statement

The general upward trend of investment holdings, particularly short term securities, by the Bank of Canada, was checked in the week of Sept. 11, according to the weekly statement. Note circulation rose by $1.5 millions during the week, and deposits of the chartered banks were down $8.6 millions.

Balance Sheet

Weeks-Ending:	Sept. 11 $	Sept. 4 $
Liabilities		
Capital paid-up	5,000,000	5,000,000
Notes in circ.	83,154,842	81,664,434
Dep.: Dominion	20,674,483	19,962,529
Banks	183,901,664	192,540,058
Other	482,658	599,183
Total deposits	205,058,805	213,101,771
All other liabs.	1,197,188	1,435,163
Total liabilities	294,410,835	301,201,368
Assets		
Reserve: Gold	179,938,330	180,159,107
Silver bullion	1,439,175	1,372,910
Res. in sterling ...	168,014	1,374,365
Res. in U. S.	8,154,928	8,594,593
Res. elsewhere	6,090	8,771
Total reserve	189,706,537	191,509,748
Subsidiary coin	283,490	286,197
Adv. to govt.	1,237,500	1,242,812
Investments:		
Dom. govt. short ..	21,160,832	24,178,880
Other Dom. govt. .	79,792,787	80,293,115
Total invest.	100,953,619	104,471,995
Premises	119,935	119,835
All other assets	2,109,752	3,570,781
Total assets	294,410,435	301,201,368
Reserve ratio	65.82%	64.97%

Foreign Money Can be Refused By Nfld. Bank

At a recent meeting of the Commission of Government for Newfoundland, the advisory board of the Newfoundland Savings Bank was empowered to refuse deposits from persons living outside the country.

Interest rates payable on deposits were set as follows: On private deposits, trust funds and estates up to and including $5,000, three per cent; on such deposits over $5,000, 2½ per cent; and on deposits of corporations a rate not exceeding two per cent. Deposits over $5,000 must be submitted to the advisory board for approval.

Town of Orillia Ready to Set Up Municipal Bank

Taking advantage of an act of parliament passed many years ago, by which towns and cities were given authority to establish their own banks, the town of Orillia is said to be ready to establish a municipally-owned bank. Mayor J. B. Johnston is quoted as stating "The machinery is all ready to begin as soon as the council says the word." According to the Mayor's opinion, why pay five per cent for money when a municipal bank can be opened, pay two per cent on deposits received from taxpayers "and save money by doing it?"

Other Ontario municipalities do not appear to take the same view. City Manager Goddard, of Niagara Falls, for instance, says "I don't see any reason why municipalities should go into the banking business. City councils are elected to look after the business of the cities and not to go into private enterprise. In this city we have had just treatment from the bank."

Municipal Finances

London's Westminster Hospital is to secure a water pump, a cast iron water main, valves and hydrants and a reinforced reservoir. Tenders for this work are being received up until Wed., Sept. 25.

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Ottawa is again enforcing a bylaw calling on Quebec firms doing business in that city to pay heavy license fees to the city. The resumption of this trade war with neighboring Quebec municipalities follows a five-months armistice. Fees for Quebec business men wishing to trade in Ottawa range from $500 for lumber firms down to $5 for window cleaners. Automobile firms will have to pay $250 for licenses and each salesman will be required to post an additional $100. Each vehicle transporting soft drinks to Ottawa from Quebec will have to pay $300.

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Brandon city council has decided that concentration on collection of taxes would bring more satisfactory results than could accrue from reduction of staff or cuts in wages and salaries.

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Regina city council has received a recommendation from the tax commissioners for the reduction of interest on prepaid taxes from 5½ per cent to 5 per cent. More than $1 million was realized last year from prepayments. It is expected the reduction will be put in force. The city decreased its general bank borrowings $9,384 from the end of July until the end of Aug., 1935. The total at the end of August was $730,121 compared with $739,506 at the end of the previous month. The borrowings are made up of $169,974 for 1935, $353,000 for 1934 and $207,147 for 1933.

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Calgary's immediate financial troubles have apparently been solved. Premier Aberhart, of Alberta has stated that he understands the Bank of Montreal has come to the assistance of the city.

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Calgary's building permits, issued the end of August, were greater by 41 than for the same period in 1934 and exceeded the 1934 figures in value by $392,726. Total for the seven months was 622 at a value of $778,357 compared with 581 issued up to August 31 last year at a value of $385,631. In August the department issued 89 permits at a value of $56,237. For Aug., 1934, 71 permits were issued at a value of $48,276.

New Books

Demos Psycho-Analyzed

Indian Professor Makes Challenging Analysis of Democracy in Action

THE DEMOCRATIC PROCESS. By Beni Prasad, Professor of Civics and Politics at the University of Allahabad. Published by the Oxford University Press, Toronto. Price, $3.25.

It requires no supporting proof that the world is in the midst of depression; that Democracy and the concept of personal liberty are in decline; that there is poverty amidst plenty; that the problems which science and philosophy have yet to solve are greater than the problems that they have already solved. The depression has produced an avalanche of literature to tell us all these things.

But most of it is so narrow in scope and so prejudiced in viewpoint, as to be quite worthless except as an evidence of the narrow-mindedness and ignorance even of some "authorities."

After one has read a few dozen books, assigning a few dozen different causes for our social and economic ills, after one has studied a few score quite different solutions for those ills, after one has veered from Anarchy to Communism and from Individualism to Socialism, from Autarchy to Free Trade, from Managed Currency to the international gold standard and comes out of a batch of printer's ink dripping wet with greasy philosophies, then such a book as "The Democratic Process" presents the sparkle, the clarity and the refreshment of fine old wine.

Long Range Observer

The author, who is a distinguished East Indian scholar has taken a position so far back from the problems of the world that he views them, as it were, through an interplanetary telescope and sees them not only in focus but in their relation one to the other.

Dr. Prasad's system is that of scientific analysis of all the factors entering into the world's situation. He has drawn upon literally hundreds of sources. He seeks no facile compromise between utterly conflicting viewpoints. Rather he tries to measure, in politics, economics and sociology, the extent of scientific truth that there may be in any particular philosophy or school of thought, an exceedingly difficult task which is handled not only with dexterity but with a simplicity that is appealing to the average reader. Driving carefully through the problems of production, population, mechanization, race and nationhood, distribution, etc., he comes to the final discussion of the machinery of the democratic state and the rôle of Democracy in creating the better world of the future.

Dr. Prasad sees Democracy as the logical outcome of the long process of social evolution. But while he is impressed with the remarkable advances in knowledge and scientific understanding that have been made by mankind in the last few hundred years, he sees much greater progress ahead to be achieved through the processes of Democracy. Dr. Prasad has sought to determine if there is a purposeful trend in human development. To him it is the movement toward emancipation of the "psyche,"—the increasing dominance of the mental aspect of life. With the growth of character and the advance in intellect many of our present economic and political problems will disappear and life will be enriched in a measure which we can scarcely foresee today.

Freedom Is Creative

His belief in Liberty and Democracy is based upon his assumption that freedom is essentially creative. Instead of playing with such meaningless words as security, equality, etc., he seeks the larger end of "maximum opportunity for self realization for every human being."

He does not consider that the democratic principle has ever yet had a fair chance. Its failures are due to militarism, general poverty and ignorance and the difficulties of communication, which the world is now beginning to outgrow.

No matter what phase of present-day life interests any individual, he will find his favorite subject fitted into the larger picture of the ultimate end of human existence in this splendid broad-scale canvas. It is a book to be recommended to every serious person. Easy to read, it is written in the language of everyday speech, and with a minimum of the lingo of the professional scientist.

THE BURDEN OF PLENTY. By several British writers. Published by Thos. Nelson & Sons, Limited, Toronto, at $1.35.

Here is a very short book deserving of a very long review. From time to time the British Broadcasting Company puts on a series of radio addresses by groups of people interested in some lively topic and representing the different shades of opinion on that topic. Some time ago the problem of Poverty amidst Plenty was selected for a series of such talks. A group of well-known economists, bankers, and others gave 12 addresses. Eleven of these are now printed in this volume. One only is missing, that of Prof. Keynes, but his contribution, which was omitted at his request, is summarized by the general editor, Graham Hutton.

There is a wide range of views. R. H. Brand, a banker, H. G. Henderson and Prof. Lionel Robbins are inclined to blame our troubles upon too much government intervention, particularly in the form of war, in an economic system which is hard to improve upon. Another group insists that the world has changed and that the old automatic system cannot be restored. They insist upon the necessity of a plan to be rigidly enforced and adhered to. Mr. Keynes and Sir Arthur Salter differ somewhat from this more advanced view and are ready to carry on with the Capitalist system so long as it is not quite as capitalist as it is today. In other words, they want to socialize certain things that they think ought to be socialized and to leave to free initiative those things that can best be managed by free initiative.

Mr. Hutton, the general editor, wisely points out that in the end it may not be economic considerations that will determine our method of reorganizing the community. We are, he thinks, probably still unprepared to gain the whole material world at the expense of losing what we consider to be our souls.

Reading this book is likely to leave the average reader with his understanding of the basic problems more complete but with his mind still in a fog as to the best solution. But he will at least realize that there is no well defined "best" solution, and that, in any event, he will get nowhere by plumping for the analysis of the economic problem which seems the most obvious or the most attractive. For the answers are not obvious.

ECONOMIC PRINCIPLES OF TRANSPORTATION—By Prof. W. T. Jackman. Published by the University of Toronto Press. Price $5.00.

A great many railway trains have passed over the bridges since 1926 when Prof. Jackman produced his authoritative volume, "The Economics of Transportation." And so Prof. Jackman has completely rewritten his work under the new title of "Economic Principles of Transportation." It is the same fat volume of painstaking analysis of every phase of railway operation, nearly 900 pages of the material that made the previous volume, and will make this volume, a standard textbook and the authority on railway transportation in Canada.

Interspersed throughout this more or less formalized data are many of the author's views on the public or political phases of Canada's railway problems. Coming from our No. 1 scientific student of railway operations, these comments demand some recognition and serious consideration. Prof. Jackman is no longer young and his years must have been saddened by observing some of the finest efforts of the ambitious and capable young railway operating men, whom he has trained or influenced, brought almost to naught by the constant interference of politicians. For in Canada the politicians have known less about and interfered more in our railway developments than in any other single phase of our economy.

The Beatty Plan

Prof. Jackman considers that the Duff plan recommended by the Royal Commission of railway transportation "has failed to produce the results which were suggested as possible." He urges unified operation on the Beatty plan and presents a well reasoned and convincing argument in favor of it.

Canada must revise its view regarding railway competition, says Prof. Jackman. Both of our great railway systems should be integrated as to operations. "This method of dealing with the situation is the most conducive to the welfare of the Canadian National and its owners, the people of Canada, in relieving them of an increasing amount of the burden and waste which they now bear and suffer; but would establish the only satisfactory system of co-operation that would be effective on a substantial scale. No change of ownership would be involved, no essential interest would be injured and the unified operation would be of inestimable importance in promoting the interests of the country and their owners while advancing the stability of the nation's finances and the government's credit."

Prof. Jackman has not been well of recent years and for that reason he is the more to be congratulated upon having concluded this truly notable study of railway operation and finance in Canada. It is complete both as to operations, rate making and historical development. Prof. Jackman has not overlooked the great competitive transportation services such as water and airways and deals very fully with the truck and bus competition.

Biggest Fruit Eater

Great Britain is the world's largest single importer of fresh fruit, with a yearly average of 1,370,000 tons, as against 1,400,000 tons purchased by Germany, France, Sweden, Denmark and Norway combined.

Fails to Appreciate Loan Board's Papers

The Farm Loan Board acts in devious ways its duties to perform. Recently, a farmer whose mortgage loan was getting into arrears, advised the company with which he dealt, that he was unable to get straightened away. The company suggested that he apply to the board for a loan to pay off their claim. It was very much surprised somewhat later to receive a satisfactory payment from the gentleman in question with the following note: "I have been in touch by correspondence with the Government Farm Loan Board. I do not like their papers very well and would rather stay with your company."

Redemptorist Fathers Place $675,000 Bond Issue

From Our Own Correspondent

MONTREAL.—Paul Gonthier and Co., Montreal, head a syndicate making a public offering of $675,000 of 4 per cent first mortgage bonds, maturing from one to ten years, of the Redemptorist Fathers (Congregation du Tres Saint-Redempteur). The bonds are payable both as to interest and principal in Canadian funds and are offered at par and accrued interest.

This order was founded in Rome in 1732 and has been established in Canada since 1874. The principal Canadian establishment is located at Ste. Anne de Beaupre, while the English-speaking section of the order have their headquarters in Toronto.

These bonds are secured by a first mortgage on the property and church of St. Alphonse d'Youville and also on the parish hall, valued at $1.1 millions. The bonds are further secured by the general credit of the community, whose assets in Quebec Province are valued at $5.1 millions and liabilities at $1.3 millions.

Beaubien and Co. Offers Ottawa Grey Nuns Bonds

From Our Own Correspondent

MONTREAL.—L. G. Beaubien and Co. are making a public offering of $190,000 of 3½ per cent non-callable bonds of the Grey Nuns of the Cross, Ottawa. This issue is fully subsidized and payable principal and interest in Canadian funds by the Province of Quebec out of the Public Charities Fund. These bonds come in two groups those maturing between 1941 and 1945 being offered at 100 and accrued interest and those maturing from 1946 to 1955 at 99 and accrued interest. All bonds maturing from 1930 to 1940 inclusive have been sold privately.

Proceeds of the issue will be used toward the cost of construction of a sanatorium in Hull, and a home and orphanage in St. Jerome.

Vancouver Gasoline Price Drops 2½ Cents

Vancouver motorists hail a straight cut of 2½ cents a gallon on all gasoline. The new standard price is 27½ cents made up of 20½ cents for the gasoline and 7 cents provincial tax. All gasoline distributing companies have followed the lead taken by Imperial Oil. It is expected that only a few independent service stations have shaved their price to 27 cents or even 26½ cents.

Executives of the oil company state that the new price looks as if it might be permanent or at least remain for a considerable period. The 30-cent price has been standard in Vancouver since the end of October last. This follows closely on the drastic cuts made in California where another price war is in progress.

Marketing Described of Municipal Bonds

A practical summary of the marketing of municipal bonds has been prepared by the Municipal Finance Officers' Association of the United States and Canada for use of municipal officials.

It sells for 20 cents a copy and application should be made to the Municipal Finance Officers' Association of the United States and Canada, 850 East 58th St., Chicago, Illinois.

Exports to Barbados

Canada, the British Isles, and the United States supply approximately 70 per cent of the imports of Barbados, British West Indies, and absorb more than 80 per cent of her exports.

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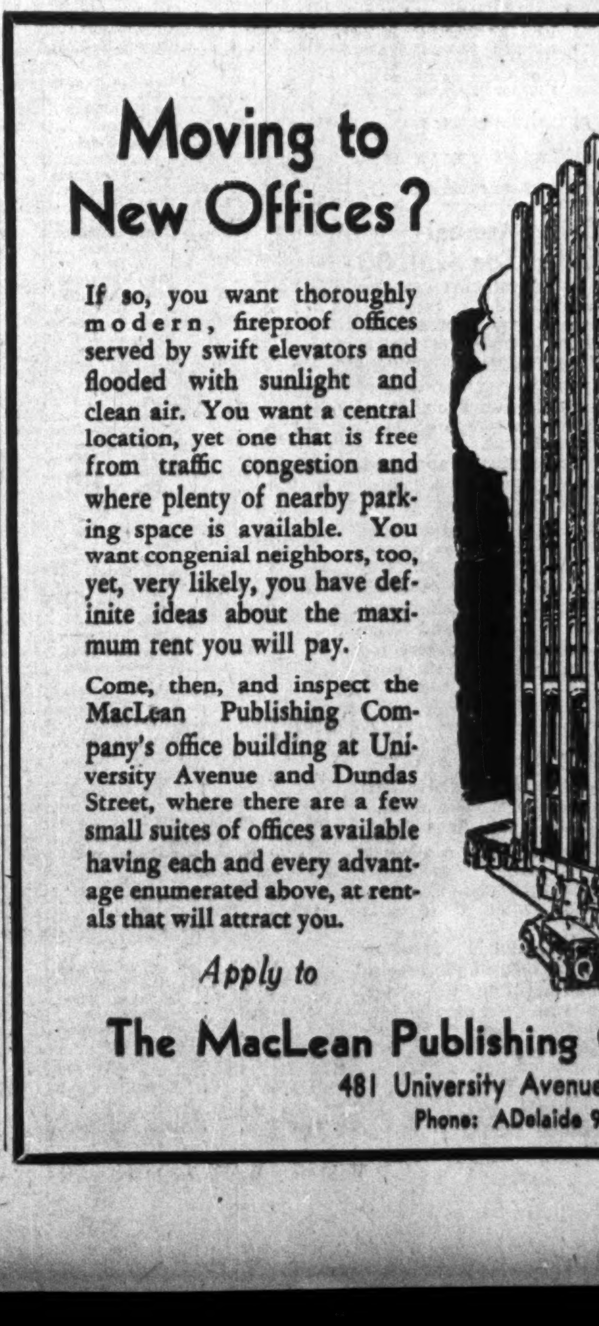
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Dr Scholl's Zino-pads

DR. SCHOLL COMPANY

Dr. Wm. Scholl was born on a dairy farm near La Porte, Indiana, in 1882. In 1900, he went to Chicago, and became a clerk in a shoe store. Becoming interested in the study of the feet and diseases and deformities of the feet, he enrolled in a night medical school and earned his M.D. By 1904 he established a business, "Foot Comfort Service," which required all of his time.

In 1908, his Canadian business was accorded a branch in Toronto, with manufacturing facilities. Since then factories or offices have been opened in practically every civilized country in the world.

Advertising of this company appears in—

Maclean's
Canada's National Magazine

◆

GREENHOUSES CO. REORGANIZATION NOW CARRIED OUT

Shareholders Now Turning in Stock for New Company Securities

The scheme of arrangement and reconstruction between the Medicine Hat Greenhouses and the preferred and common shareholders has been carried out. The scheme was approved by the shareholders at a meeting held on June 28.

The new company bearing the same name as the old, has an authorized capital of $100,000 divided into shares of $1 par value. The assets of the old company have been sold and conveyed to the new company with all debts, liabilities and obligations of the old.

The new company has executed a mortgage deed of trust in favor of The Trust and Guarantee Co. for $325,000. The bonds to be issued under this mortgage, mature Feb. 1, 1960, and bear interest at 3 per cent per annum. The interest is paid half yearly, the first to be made on Feb. 1, 1936. The courts have approved it and the secretary of state for Canada has confirmed the plan by supplementary letters patent.

Shareholders are now being asked to forward their preferred and common stock to the Trusts and Guarantee Co., Calgary. For each common share in the old company they will receive one share of common stock in the new company.

For each preferred share in the old company they will receive $1 in cash and 20 shares of $1 par value common stock and one bond of a par value of $100. The new company is a Dominion incorporation. The former company was incorporated in Alberta.

Dividends Declared

	This payment	Date payable	Date of record
Acme Glove Works	81¼c	Sept. 16	Aug. 31
Do., pref.	$1.75	Oct. 1	Sept. 15
Amer. Cyanamid, A	10c	Oct. 1	Sept. 14
Do., B	10c	Oct. 1	Sept. 14
Assoc. Brewer. pf.	$1.75	Oct. 1	Sept. 15
Bell Tele. c.	$1.50	Oct. 15	Sept. 23
Bk. of N. Scotia	$3	Oct. 1	Sept. 16
Br. Amer. Assur. c.	75c	Oct. 1	Sept. 25
Brantford Cord. pf.	50c	Oct. 15	Sept. 20
Br. Amer. Oil c.	20c	Oct. 1	Sept. 17
Bruck Silk	30c	Oct. 15	Sept. 14
Brew. Corp. pf.	37½c	Oct. 15	Sept. 30
Braz. T. L. & P. pf.	$1.50	Oct. 1	Sept. 14
B.C. Power c.	38c	Oct. 15	Sept. 30
Building Prod. A	25c	Oct. 1	Sept. 18
Do., B	25c	Oct. 1	Sept. 18
Calgary Power c.	$1.50	Oct. 1	Sept. 14
Can. Canners 1 pf.	$1.50	Oct. 1	Sept. 14
Can. Celanese	$1.75	Sept. 30	Sept. 18
Can. Cottons c.	$1.00	Oct. 1	Sept. 13
Do., pfd.	$1.50	Oct. 1	Sept. 13
Can. Fairb'ks-M. p.	$1.50	Oct. 15	Sept. 30
Can. Gen. Elec. c.	75c	Oct. 1	Sept. 14
Do., pfd.	87½c	Oct. 1	Sept. 14
Can. Indust. A & B	$1	Oct. 31	Sept. 30
Do., pref.	$1.75	Oct. 15	Sept. 30
Can. Packers c.	75c	Oct. 1	Sept. 14
Do., pfd.	$1.75	Oct. 1	Sept. 14
Can. Perm. Mtge.	$2	Oct. 1	Sept. 14
Can. Starch pf.	$3.50	......	......
Can. N. Pwr. c.	40c	Oct. 25	Oct. 15
Do., pf.	$1.75	Oct. 15	Sept. 30
Canada Wirebound	25c	Oct. 1	Sept. 14
Can. Forn. Inv. c.	40c	Oct. 1	Sept. 20
Do., pf.	$2	Oct. 1	Sept. 20
Celanese Corp.	$1.75	Oct. 1	Sept. 18
Cen. Can. Loan c.	$2	Oct. 1	Sept. 20
Cons. Bakeries	20c	Oct. 1	Sept. 19
Consumers' Gas c.	$2.50	Oct. 1	Sept. 14
Crown Trust c.	$1.75	Oct. 1	Sept. 30
Dominion Bank	$2.50	Oct. 1	Sept. 20
Dom. Glass c.	$1.25	Oct. 1	Sept. 16
Do., pfd.	$1.75	Oct. 1	Sept. 16
Dom. Rubber p.	$1.75	Sept. 30	Sept. 28
Dom. Textile c.	$1.25	Oct. 1	Sept. 16
Do., pfd.	$1.75	Oct. 15	Sept. 30
East. Can. Sav. c.	$1.50	Oct. 1	Sept. 20
East. Tr. c.	$2	Oct. 1	Sept. 20
Falconbridge N. c.	7½c	Sept. 27	Sept. 12
Fanny Farmer c.	12½c	Oct. 1	Sept. 14
Goodyear Tire c.	†62c	Oct. 1	Sept. 14
Do., pfd.	†62½c	Oct. 1	Sept. 14
Hamilton Cot. pf.	50c	Oct. 1	Sept. 14
Hamilton Un. Th. pf.	$1	Sept. 30	Sept. 14
Hinde & Dauch c.	12½c	Oct. 1	Sept. 14
Imperial Tob. p.	8¾c	Sept. 30	Sept. 13
Inter. Mining	15c	Sept. 20	Aug. 31
Int. Nickel c. U.S.	20c	Sept. 30	Aug. 31
Do., pfd. U.S.	$1.75	Nov. 1	Oct. 2
Do., U.S.	8½c	Nov. 1	Oct. 2
Invest. Found'n. p.	37c	Oct. 15	Sept. 30
Do., on arrears	13c	Oct. 15	Sept. 30
Jamaica P. Ser. c.	37½c	Oct. 1	Sept. 18
Do., pfd.	$1.75	Oct. 1	Sept. 18
Landed Banking c.	$1.25	Oct. 1	Sept. 14
London Life Ins. p.	$2	Sept. 30	Sept. 25
Marcus Loew's pf.	$1.75	Sept. 30	Sept. 20
J. S. Mitchell p.	$1.75	Oct. 1	Sept. 16
Monarch Knit. pf.	$1.75	Oct. 1	Sept. 14
McLennan, McFeeley & Prior, A	10c	Sept. 30	Sept. 23
Do., B	10c	Sept. 30	Sept. 23
Moore Corp. A pf.	*$1.75	Oct. 1	Sept. 15
Do., B pfd.	*$1.75	Oct. 1	Sept. 15
Mtl. L., H. & P. c.	37½c	Oct. 31	Sept. 30
Nat. Breweries c.	40c	Oct. 1	Sept. 16
Do., pf.	44c	Oct. 1	Sept. 16
Nat. Biscuit, c.	40c	Oct. 15	Sept. 13
Nat. Grocers, pf.	$1.75	Oct. 1	Sept. 21
Nat. Trust c.	$2	Oct. 1	Sept. 20
Ottawa Traction c.	50c	Oct. 1	Sept. 8
Ogilvie Flour M. c.	$2	Oct. 1	Sept. 19
Ont. Loan & Deb. c.	$1.50	Oct. 1	Sept. 16
Page-Hersey c.	75c	Oct. 1	Sept. 14
Pressed Metals	12½c	Oct. 1	Sept. 16
Pioneer Gold	20c	Oct. 1	Sept. 3
Porto Rico Pwr.	$1.75	Oct. 1	Sept. 14
Pwr. Corp. of C. pf.	$1.50	Oct. 15	Sept. 30
Do., 2nd pfd.	75c	Oct. 15	Sept. 30
Premier Gold	3c	Oct. 15	Sept. 13
Do., extra	1c	Oct. 15	Sept. 13
Riverside Silk, A	25c	Oct. 1	Sept. 15
Do., on arrears	25c	Oct. 1	Sept. 15
Reno Gold	3c	Oct. 1	Aug. 31
Russell Motor pfd.	$1.75	Nov. 1	Oct. 16
Do., on arrears	$1	Nov. 1	Oct. 16
Sherwin-Williams p.	$1.75	Oct. 1	Sept. 15
South. C. Pwr. pf.	$1.50	Oct. 15	Sept. 20
Sylvanite G.	5c	Sept. 30	Aug. 24
Stand. Fuel pf.	$1.62½	Oct. 1	Sept. 16
Tamblyn Ltd. pfd.	$1.75	Oct. 1	Sept. 21
Tip Top Tailors	$1.75	Oct. 1	Sept. 16
Teck-Hughes c.	10c	Oct. 1	Sept. 10
Toronto Mort. c.	$1.50	Oct. 1	Sept. 16
Weston, Geo. Ltd. c.	15c	Oct. 1	Sept. 14
W. Kootenay Pr. pf.	$1.75	Oct. 1	Sept. 20
W.-Hargreaves c.	10c	Oct. 1	Sept. 20
Western Groc. c.	50c	Oct. 1	Sept. 10
Do., pfd.	$1.75	Oct. 15	Sept. 20
Western Assur. c.	60c	Oct. 1	Sept. 5
Whittall Can. pfd.a	$1.62½	Oct. 1	Sept. 14

†Initial. *U. S. funds.
aFor quarter ended Dec. 31, 1933.

NAT'L GROCERS 4 P.C. BOND ISSUE ALREADY SOLD

Refunding Bonds Mature $100,000 Annually for 12 Years

Issue of $1,200,000 of four per cent 12-year serial bonds of National Grocers Co. has been oversubscribed upon preliminary offering. The bonds, which mature $100,000 each year, were sold by a syndicate of McLeod, Young, Weir & Co., and R. A. Daly & Co., Toronto, and Nesbitt, Thomson & Co., Montreal.

The new issue is to refund the present issue of $1,163,800 of six per cent bonds to be called for redemption at 105 on Nov. 1, 1935. Approval of shareholders for the redemption is to be requested at a meeting on Sept. 24. This, however, is a routine proceeding because officials hold large enough blocks of stock to approve the transaction.

Particulars follow:

National Grocers Co.

Issue: $1,200,000 4 per cent first mortgage bonds maturing $100,000 annually 1936 to 1947.

Company: Ont. incorp., 1925.

Business: Distributes wholesale groceries in Ontario through own warehouses and Red and White stores.

Capital: $1,200,000 4 per cent first mortgage bonds; $2,953,200 7 per cent preferred stock; 295,852 common shares of no par value.

Earnings: $536,767 in year ended June 30, 1935, after giving effect to this financing, about 11.2 times interest requirements on this issue. Five year average, 1931-1935, $465,114, or 9.7 times interest requirements.

Assets: Bonds secured by first mortgage on fixed assets $1,801,472 book value. Net current assets at March 31, 1935, were $2,987,910; net tangible assets $4,958,561.

Offer: Average price of 109: 1936 to 1940 maturities at 100¼; 1941-43 maturities at 100; 1944-1947 maturities at 99½; by syndicate of McLeod, Young, Weir & Co., R. A. Daly & Co., Toronto; Nesbitt, Thomson & Co., Montreal.

PETE OUTPUT DURING AUGUST SHOWS DECLINE

Production for 1935 to Aug. 31, However, Creates Record

International Petroleum Co. output for the eight months ended Aug. 31, showed an 8 per cent increase over the same period of 1934. Both Peru and Colombia output showed improvement for the eight months. August totals were less than July and for August, 1934.

The following table indicates that monthly fluctuations have not been uncommon even in a year of increasing output. At the rate of the first eight months of 1935, total output for 1935 would be 32.5 million barrels of crude oil as compared with 31.5 million barrels in 1934. Both years will be far ahead of any preceding year in the company's history.

Crude Oil Production

1935	Peru barrels	Colombia barrels	Total barrels	Daily average
Jan.	1,248,465	1,653,647	2,902,112	93,617
Feb.	1,105,508	1,141,696	2,247,204	80,257
Mar.	1,218,852	1,446,821	2,665,673	85,989
Apr.	1,160,942	1,377,299	2,538,241	84,606
May	1,281,189	1,486,896	2,768,085	89,293
June	1,240,281	1,518,460	2,758,741	91,958
July	1,276,305	1,639,054	2,915,359	94,044
Aug.	1,272,038	1,567,307	2,839,345	81,592
8 mos. 1935	9,803,580	11,831,180	21,634,760	....
Aug. 1934	1,300,253	1,691,314	2,991,567	96,502
8 mos. 1934	9,160,431	10,878,973	20,039,404	....

Canada Bread Annual Called For Sept. 30

Within a few days court sanction of the Canada Bread Co. reorganization is expected by the shareholders. In the meantime the annual meeting has been called for September 30, and an interim dividend of one per cent has been declared on the preferred stock to shareholders of record September 20.

When the plan is finally approved, the first preference shares will bear dividends from July 1, 1935, at five per cent cumulative instead of seven per cent non-cumulative as heretofore. The "B" preferred will pay five per cent on a $50 par value instead of seven per cent non-cumulative on $100 par value and share in surplus earnings with common after the first 20 cents on the basis of three-fifths to "B" and two-fifths to common.

Schmauder Named Sec'y Can. Commodity Exchange

From Our Own Correspondent

MONTREAL.—J. N. Schmauder, secretary-treasurer of Canadian Commodity Clearing Association has been appointed general secretary of the Canadian Commodity Exchange.

In the new position Mr. Schmauder will have charge of all general executive matters of the Exchange, while at the same time he will continue as secretary-treasurer of the Canadian Commodity Clearing Association, a post he has filled since the opening of the Exchange.

W. G. Anderson has been appointed assistant secretary of the Canadian Commodity Exchange.

WEEK'S CANADIAN STOCK AND BOND QUOTATIONS

Montreal, Toronto and Curb Markets

WEEK ENDING SEPTEMBER 23

Range 1935 High	Range 1935 Low	Divd. Rate in $	Y'ld in % Sept. 7		Sales	Close Sept. 6 (last)	Week Ending (or Sept. 16) High	Low	Close
				A					
2.00	.55	.	...	Abitibi	2490	.75	1.00	.75	1.00
9½	3	.	...	Do. pref. 6%	125	4½	4¾	4½	4½
6½	3	.	...	Do. cert. dep.	17	4	3½	3½	3½
5	5	.	...	Acadia Sugar	....	5	..	..	..
7	3	.	...	Acme Glove	....	6	..	..	..
45	32	3.25	8	Do. pref.	....	38	..	..	..
9½	7½	40+20c	4.7	Agnew Surp.	5	8½	8½	8½	8½
103½	96	7	7	Do. pref.	100	100	100	100	100
3½	1	.	...	Alta. Pac. Gr.	20	2	2	2	2
29	15	.	...	Do. pref.	30	15	18½	18	18
25	25	.	...	Aluminium	....	25	..	..	..
2	1½	.	...	Amal. Electric	....	2	..	..	..
18	15	.	...	Do. pref.	....	15	..	..	..
22½	16	.	...	Amer. Cyn. B.	25	23½	24½	24½	24½
30½	25	.	...	Amer. Celanese	....	25	..	..	..
17½	6	.	...	Asbestos v. t.	197	15	15	14½	14½
13¾	9¾	1	...	Assoc. Brew.	315	10½	10	10	10
110	104	7	6.4	Do. pref.	....	108½	..	..	..
24½	3	.	...	Assoc. Can.	....	3	..	..	..
105	105	7	6.7	Atlan. Sugar, p	....	105	..	..	..
				B					
66½	52	2.25	4.3	Bank of Can.	177	53	53½	52	52
132	126	8	6.2	Bk. Can. Nat.	37	127	127	127	127
204	140	8	4.8	Bk. Montreal	160	171	170	165	166
305	249	12	4.7	Bk. N. Scotia	67	251	255	250	252
235	198	10	5	Bk. Toronto	48	199	200	198	199
11	11	50c	...	Barcelona	15	11	10	10	10
8½	4½	.	...	Bathurst Pr.	9283	6½	8¾	7	8¾
2.60	1.00	.	...	Do. (B)	73	1.60	2.50	1.50	2.50
3.00	.50	.	...	Bawlf Grain	10	.70	.90	.90	.90
40	20	.	...	Do. pref.	....	22	..	..	..
3	3	.	...	Beath & Sons	....	3	..	..	..
15	8½	.	...	Beatty Bros. A.	10	9½	9	9	9
95	85	6	6.4	Do. pref.	....	93	..	..	..
7½	2½	.	...	Beauharnois	1029	3½	3¾	3½	3½
98¾	85	4	4.1	Belding Cort.	5	96	95¾	95¾	95¾
120½	116	7	5.8	Do. pref.	....	120½	..	..	..
135¾	118	6	4.5	Bell Telephone	719	132	133	131	132
18	13	1.50	...	Biltmore Hats	120	18	18	17	18
110	97½	7	6.6	Do. pref.	....	105½	..	..	..
4	3½	.	...	Bissell, T. E.	....	4	..	..	..
30	25	.	...	Do. pref.	....	30	..	..	..
3½	2	.	...	Blue Ribbon	45	2	2	2	2
29	19	2	9.3	Do. pref.	50	22	21½	21½	21½
30	27½	2	6.6	Brant. Cord. pf.	133	29½	30	29	29½
10¾	7½	.	...	Brazilian Tr.	8461	7½	8½	7¾	7¾
1.10	.50	.	...	Brew. & Distil.	1845	.95	.90	.85	.85
4½	1½	.	...	Brewing Corp.	6431	2	2½	1¾	2
22¾	12	1.50	10.7	Do. pref.	1422	15	15	12	12
14	11	30c	2.7	Bright, T. G.	....	11	..	..	..
77½	75	6	8	Do. pref.	....	72	..	..	..
16¾	13¾	80c	5.2	Brit. Amer. Oil	4571	15¾	16	15¾	16
1.75	.55	.	...	B. C. Packers	5	.70	.75	.75	.75
18	13	.	...	Do. pref.	....	13	..	..	..
30½	21	1.50	6.1	B. C. Power A.	334	23½	25	23¾	25
5	2	.	...	Do. (B)	91	3½	3¾	3½	3½
18	14¾	1.20	7	Bruck S. Mills	3335	16¾	18	16¾	17½
34½	26¾	1	3.3	Building Prod.	215	30	30½	29	30½
35½	29¾	2	5.6	Burt, F. N.	259	34½	35½	34½	35½
				C					
84½	80	6	7.5	Calgary pr.	25	82½	80	80	80
5½	2	.	...	Canada Bread	860	3½	4	3½	3¾
85	63	.	...	Do. pref. (A)	90	85	87½	87	87½
30	17	.	...	Do. pref. (B)	10	28	28	28	28
9	5½	.	...	Canada Bud	1440	5¾	7	5¾	6½
8½	5¾	.	...	Canada Cement	2290	6½	6¾	5¾	6
64½	51	.	...	Do. pref.	645	54½	54	53½	54
60½	55	1.50	2.7	Can. & D. Sugar	....	55	..	..	..
b16¾	8½	40c	4.1	Canada Dry	2000	10½	10½	9¾	9¾
7	2	.	...	Can. Forg. (A)	....	2	..	..	..
1½	1½	.	...	Do. (B)	....	1½	..	..	..
38	18	.	...	Canada Iron	....	30	..	..	..
55	50	3	5.9	Do. pref.	....	51	..	..	..
450	450	20	4.4	Canada Life	....	450	..	..	..
35	29	1.50	4.6	Can. Malting	815	32½	32½	32½	32½
22½	17½	1	4.9	Can. Nor. Pr.	343	20½	21	20½	20½
107	98½	7	6.6	Do. pref.	15	104	105	104½	104½
58	50	75c	...	Can. Packers	130	59	60	58½	60
115	110	7	6.3	Do. pref.	53	111	111½	111	111
75	60	.	...	Can. Paper, pf.	....	65	..	..	..
.05	.05	.	...	Can. Paving	....	.05	..	..	..
3¾	2	.	...	Do. pref.	....	3	..	..	..
150	125	8	6.1	Can. Perman.	14	131	131	130	131
2¾	1	.	...	Can. Steamsh's.	10	1¾	1¾	1¾	1¾
11¾	6	.	...	Do. pref.	205	7	7	7	7
29	25	1.60	6.1	Can. Vinegars	200	27	27	26¾	26½
20	18	.	...	Can. W. Cable	....	18	..	..	..
8	4½	.	...	Do. (B)	....	4½	..	..	..
1	1	.	...	Can. Bakeries	....	1	..	..	..
20	13	.	...	Do. pref.	....	15	..	..	..
169½	130	8	6	Can. Bk. Com.	95	132½	133	132	133
31½	21	60	1.9	Can. Bronze	35	31	31	30	31
115	110	7	6.1	Do. pref.	....	114	..	..	..
6¾	3½	.	...	Can. Canners	110	3½	3¾	3½	3¾
94	75	6	7.5	Do. 1st pfd.	120	81	80	78	78½
9¾	4½	30c	6	Do. 2nd pfd.	375	4¾	5	4½	5
8¾	5¾	.	...	Can. Car & Fd'y	1907	6½	6	5¾	6
17	12	.	...	Do. pref.	595	12½	12½	11¾	12
24½	18½	.	...	Can. Celanese	1135	21	21¾	21	21¾
120	100	7	5.8	Do. pref.	50	118	119	118	119
20½	18	.	...	Do. Rights	50	19½	19	19	19
32	29	2	6.9	Can. Convert.	....	29	..	..	..
66	39	4	10	Can. Cottons	....	40	..	..	..
105	95	6	6	Do. pref.	....	96½	..	..	..
30	19½	75c	...	Can. Dredge	1400	29	30	28½	29½
106	106	7	6.6	Do. pref.	....	106	..	..	..
85	85	6	7	Can. Fairb. pf.	....	85	..	..	..
30	18	1.60	8	Can. For. Inv.	100	19	20	20	20
107½	103	8	7.4	Do. pref.	5	105	107	107	107
159½	145	3	2	Can. Gen. Elec.	5	145	145	145	145
64½	58½	3.50	5.8	Do. pref.	417	60	60	59	60
82½	37	6	12	Can. Hyd. El. p.	270	50	51	50	50
10½	6¾	.	...	Can. Ind. Alc.	25685	8½	9½	8	8¾
9½	6	.	...	Do. (B)	3240	7	8½	7½	7¾
198½	178½	4	2.1	Can. Indust. B.	....	193	..	..	..
160	148	7	4.4	Do. pref.	5	155¾	158½	158½	158½
†5.00	3.95	.	...	Can. Int. I. Tr.	....	..	..	..	..
25	20	.	...	Do. pref.	....	25	..	..	..
30	21½	1	4	Can. Lt. & Pr.	....	25½	..	..	..
4	2	.	...	Can. Locomo.	....	3	..	..	..
b2¾	1	.	...	Can. Marconi	5600	1¾	2	1½	1¾
15	11	50c	4.1	Canadian Oil	105	11¾	11½	11½	11½
127	113	8	6.6	Do. pref.	2	121	120	120	120
13¾	9½	.	...	Can. Pacific	5685	10¾	10¾	10	10½
.15	.10	.	...	C. Pr. & Pa Inv	....	.10	..	..	..
4½	3½	.	...	Do. pref.	....	3½	..	..	..
1.50	1.00	.	...	Can. Vickers	....	1.25	..	..	..
16	6½	.	...	Do pref.	10	11	8	8	8
6	3½	20c	5.7	Can. Wineries	505	4½	4	3½	3½
17½	15	25c▲	...	Can. Wire Box	45	17¾	17½	17½	17½
17	9	.	...	Catelli Mac (A)	....	14½	..	..	..
2½	1½	.	...	Do. (B)	....	3¾	..	..	..
‡245	245	8	...	Cent. Can. L'n.	....	..	..	..	..
7¾	6¾	60c	...	Champ. Oil, p.	815	1¾	6¾	6¾	6¾
2.35	.85	.	...	Chem. Research	3325	2.90	.95	.87	.90
2½	1½	.	...	City Gas & Elec	....	1½	..	..	..
.30	.20	.	...	Claude Neon	1000	.35	.40	.40	.40
9¾	6	.	...	Cockshutt Plow	480	7½	8	7½	8
.90	.45	.	...	Comm. Alcohol	....	.50	..	..	..
1.00	.80	.	...	Conduits	....	.80	..	..	..
61	48	.	...	Do. pref.	....	55	..	..	..
17	11½	20c	...	Cons. Bakeries	283	14¾	14¾	14½	14½
2.12	.70	.	...	Cons. Paper	1980	1.00	1.25	1.00	1.10
6	5	.	...	Cons. Press	....	5½	..	..	..
26½	25	.	...	Cons. Sand. pf.	....	25	..	..	..
184¾	125½	1.25	...	Cons. Smelters	....	171	..	..	..
193	184	10	5.2	Consumers' Gas	120	190	191	190	190
90	30	1.75▲	...	Corr. P. Box p.	10	80	80	80	80
7	5	.	...	Cosgrave Brew.	....	7	..	..	..
19½	14½	17½c	...	Cosmos Imp.	25	18¾	18	18	18
108	102¾	7	...	Do. pref.	10	106½	105¾	105¾	105¾
2½	1½	.	...	Crown Dom. Oil	87	2	2	1¾	1¾
28¾	25	4	...	Crow's N. Coal.	15	27½	27½	27½	27½
				D					
1	1	.	...	David & Fre. B.	....	1	..	..	..
4	2	.	...	Do. (A)	....	2½	..	..	..
2¾	1½	.	...	De Havilland	40	1½	1½	1½	1½
‡30	20	.	...	Do. pref.	15	20	30	30	30
‡9	5	.	...	Disher Steel	....	..	..	..	..
6½	6½	.	...	Do. pref.	....	6½	..	..	..
25¾	13½	.	...	Distill-Seagram	25818	25½	28¾	26½	26¾
201½	155	10	6.3	Dom. Bank	25	160	160	155	155
34	24½	1.20	4.1	Dom. Bridge	682	29	29	28½	28¾
18¾	14¾	75c	...	Dom. Coal	1183	16	16	15½	15½
23	17	.	...	Dom. Engineer.	135	18½	20½	20½	20½
120	103	5	4.8	Dom. Glass	310	110	108	103	103
145	138½	7	5	Do. pref.	....	140	..	..	..
.10	.10	.	...	Dom. Motors	....	.10	..	..	..
36	32	.	...	Dom. Oilcloth	210	35	35	35	35
1	1	.	...	Dom. Pr. Stubs	....	1	..	..	..
85½	80	7	8.1	Dom. Rubber, p	5	85	85½	85½	85½
6	3½	.	...	Dom. St. & C.B.	2366	4¾	4¾	4¾	4¾
12½	6¾	.	...	Dom. Stores	3080	8	9	8	8
7¾	3½	.	...	Dom. Tar & Ch.	325	4	4½	4	4
72	42	.	...	Do. pref.	25	57	56	55	55
82½	63	5	7.6	Dom. Textile	165	66	66	65	65
146½	130	7	5	Do. pref.	12	138	138	138	138
4½	2½	.	...	Donnacona P. A	....	1¾	..	..	..
1.10	1.00	.	...	Do. (B)	20	1.50	1.75	1.75	1.75
5¾	3	.	...	Dryden Paper	680	3¾	4½	3¾	4½
4½	2	.	...	Duff. Paving	....	2	..	..	..
40	20	.	...	Do. pref.	15	27	35	25	25
				E					
2	1¾	.	...	East. Dairies	....	1½	..	..	..
2½	1	.	...	East. Koot. Pr.	....	1	..	..	..
14	14	.	...	Do. pref.	....	14	..	..	..
10	5	.	...	East. Steel	....	7	..	..	..
90½	80	7	8.3	Do. pref.	30	90	84	84	84
8	7½	.	...	East. Theatres	....	7½	..	..	..
75	58½	7	9.3	Do. pref.	....	75	..	..	..
3½	1	.	...	Easy Washer	....	1½	..	..	..
20	14½	43½c	...	Economic Inv.	5	15	15	15	15
†15	15	.	...	Edmonton D'y	....	..	..	..	..
†80	78¾	6.50	...	Do. pref.	....	..	..	..	..
1	1	.	...	Enamel & Heat.	....	1	..	..	..
12½	7	.	...	Eng. Electric	150	9½	9½	9½	9½
6¾	3	.	...	Do. (B)	18	5	4½	4	4
9	8	.	...	European El. A.	....	8	..	..	..
				F					
16½	10	50c	...	Fam. Players	....	16	..	..	..
17	14	.	...	Do. Vot. Tr.	....	17	..	..	..
9¾	7¾	50c	5.1	Fanny Farmer	5447	9¾	9¾	9¾	9¾
32½	23½	50c	...	Ford Motors A.	11271	26	27½	26	26¾
1.25	.60	.	...	For. Pr. Secs.	45	.65	.65	.60	.60
13¾	11	.	...	Foundation Co.	45	12	12	11¾	12
5	2½	.	...	Fraser Cos.	519	4½	4½	4½	4½
5	1¾	.	...	Do. Vot. Tr.	50	5	4¾	4½	4½
61	54	6	10.9	Freiman, pf.	....	55	..	..	..
4	3	.	...	Frost Steel	....	3	..	..	..
78	68	7	9.3	Do. pref.	....	75	..	..	..
				G					
5½	3	.	...	Gen. St. Wares.	45	3½	3½	3½	3¾
45	37	.	...	Do. pref.	60	39	40½	39	39
72½	65	5	...	Goodyear Tire	35	68	67	67	67
54½	51½	7	...	Do. pref.	352	53½	54	53	53
1½	1	.	...	Gt. W. Saddlery	....	1½	..	..	..
20	16	.	...	Do. pref.	....	16	..	..	..
4¾	4½	.	...	Gurd. Chas.	350	4½	4¾	4½	4¾
‡100	100	7	...	Do. pref.	....	..	..	..	..
7¼	4½	.	...	Gypsum, Lime.	1210	5½	6	5½	5½
				H					
5½	3	.	...	Ham. Bridge	60	4	3¾	3½	3½
33	18	.	...	Do. pref.	10	21	22	22	22
30½	24	50c	...	Ham. Cot., pf.	....	24	..	..	..
2½	1	.	...	Ham. U. Theat.	....	1	..	..	..
60	50	1	...	Do. pref.	....	50	..	..	..
3½	2½	.	...	Harding Carpet	265	3	3½	3	3½
12	10	12½c	...	Hinde & Dauch.	50	10¾	10	10	10
6	5½	.	...	Holt Renfrew	....	6	..	..	..
30	30	.	...	Do. pref.	....	30	..	..	..
.60	.15	.	...	Honey Dew	125	.40	.45	.45	.45
8	6	.	...	Do. pref.	30	7	7	7	7
13	9	.	...	H. Smith Pap.	103	10	10	9¾	9¾
95½	84	.	...	Do. pref.	15	91	91	91	91
32½	28	2	6.3	Humberstone S.	10	30	31½	31½	31½
11	6	.	...	Hunts (A)	....	7½	..	..	..
11	7	.	...	Do. (B)	....	7	..	..	..
103	89½	6	6.7	Huron & E. Mt.	26	89	90	89½	89½
17½	15	.	...	Do. 20% pd.	....	15½	..	..	..
3½	3	.	...	Hydro Electric	....	3½	..	..	..
				I					
208½	169	10	5.9	Imperial Bank	60	170	169½	169	169
22½	15¾	50+37½c	4.5	Imperial Oil	9551	19¾	19¾	19½	19½
14½	12	52½c	4	Imperial Tob.	2817	13½	13¾	13	13½
17	17	1	...	Inter City Bak.	....	17	..	..	..
42	25	3	...	Inter'c Coal	....	17	..	..	..
100	100	8	8	Do. pref.	....	100	..	..	..
b4¾	1½	.	...	Int. Hyd. E. A.	3000	3½	3¾	3	3
6	3½	.	...	Int. Metal Ind.	95	3¾	3½	3½	3½
45	30	.	...	Do. pref.	15	30	30	30	30
100¾	100	5	5	Inter. Mill., new	380	100¾	100¾	100	100
114	110	7	6.4	Inter. Mill., pf.	13	109	109	109	109
107	102½	6	5.6	Do. Series A.	10	107	106	106	106
29½	22½	80c	2.5	Inter. Nickel	....	29	..	..	..
4½	2	.	...	Inter. Paints	100	2	2½	2½	2½
20	19	.	...	Do. pref.	90	20	19½	19	19
b3	1½	.	...	Int. Pa. & P. A.	48	2½	2¾	2½	2½
b1½	¾	.	...	Do. (B)	2300	1¾	1¾	1¾	1¾
b1½	¾	.	...	Do. (C)	2300	1	1	1	1
b15¾	4½	.	...	Do. pref.	31400	12	15¾	12	14½
39½	28½	1.50+50	5.6	Inter. Pete.	8250	36	36	35	35
6	1	.	...	Inter. Power	40	2¾	2½	2½	2½
64	40	1	...	Do. pref.	305	45	45	45	45
13¾	12½	.	...	Inter. St. Rly. A	....	13¾	..	..	..
2	2	.	...	Do. (B)	....	2	..	..	..
4	1½	.	...	Inter. Util. (A)	....	2½	..	..	..
.85	.25	.	...	Do. (B)	100	.45	.50	.50	.50
				J					
22	22	1	3.7	Jam. Pub. Ser.	25	22	27	27	27
120	115	7	5.8	Do. pref.	....	120	..	..	..
				K					
8¾	6½	.	...	Kelvinator	....	7	..	..	..
108	102	7	6.5	Do. pref.	20	105	107	107	107
				L					
13½	7	.	...	Lake of Woods	1550	8¾	10	8¾	9¾
101	80	.	...	Do. pref.	25	81¾	80	80	80
75	60	5	8.3	Landed Bank	....	60	..	..	..
4	3½	.	...	Langley's	....	3½	..	..	..
80	60	7	10.8	Do. pref.	10	65	67	67	67
63	60	3	4.9	Laura Secord	25	60½	60¾	60½	60¾
5	2½	.	...	Lindsay, C. W.	....	5	..	..	..
40½	39	.	...	Do. pref.	....	40	..	..	..
19½	16½	1	5.6	Loblaw (A)	2099	17¾	17¾	17	17¾
18½	16	1	6.2	Do. (B)	1252	16	16½	16	16½
7½	6¾	.	...	Louisiana Land	100	7½	6¾	6¾	6¾
				M					
3½	3½	.	...	MacKin. Steel	....	3½	..	..	..
†95	90	.	...	Do. pref.	....	..	..	..	..
2½	2½	.	...	Manitoba Pr.	....	2½	..	..	..
.80	.50	.	...	M. L. Gard.	5	.50	.60	.60	.60
4	3½	.	...	Do. pref.	25	4	3¾	3½	3¾
1.30	.40	.	...	Maple Leaf	195	.55	.50	.40	.50
5	1	.	...	Do. pref.	....	1¾	..	..	..
12	12	60c	...	Maritime Tel.	....	12	..	..	..
15	14½	70c	...	Do. pref.	....	14½	..	..	..
20	14	.	...	Marcus Loew's	....	17	..	..	..
115	108½	7	6.2	Do. pref.	....	112	..	..	..
5¾	3½	.	...	Massey-Harris	1195	4¾	4¾	4½	4¾
30	18¾	.	...	Do. pref.	135	25½	25	24	24
15¾	12½	80c	7	McColl Fron.	2784	13	13	12½	12¾
100¾	94	6	6.1	Do. pref.	258	97	98	96¾	97½
11½	7	.	...	Melchers (A)	1614	8¾	9¾	8¾	8¾
4	2½	.	...	Do. (B)	85	2¾	3½	2¾	3¾
10	8½	.	...	Mercury Mills	....	10	..	..	..
27	20	1	...	Mitchell, J. S. p	....	25	..	..	..
101	101	7	6.9	Do. pref.	....	101	..	..	..
5½	3½	.	...	Mitchell, Robt.	....	3½	..	..	..
5	5	.	...	Monarch Knit.	....	5	..	..	..
90	71½	7	7.8	Do. pref.	5	90	89½	89½	89½
25	20	.	...	Montreal Cot.	25	23	21	21	21
97	73	7	8.7	Do. pref.	....	80	..	..	..
‡1	¼	.	...	Montreal Exhib.	....	..	..	..	..
‡4	3½	.	...	Mont. Is. Pr	....	1	..	..	..
34½	26¾	1.50	4.5	Mont. L. & Pr.	2999	32½	33	32½	32½
32	32	2.50	7.8	Montreal Loan	....	32	..	..	..
9	6¾	.	...	Mtl. Ref. & S.P.	....	9	..	..	..
2	1½	.	...	Do. Vot. Tr.	....	2	..	..	..
58	54½	3.20	5.5	Montreal Tele.	5	58	58	58	58
99	80	9	9.6	Montreal Trams	....	93	..	..	..
24	17½	50c	...	Moore Corp.	962	23½	24½	24	24½
143	118¾	7	4.8	Do. pref. (A)	20	138	143	140	140
166	135	7	4.2	Do. pref. (B)	30	165	165	160	160
1.10	.25	.	...	Muirheads	....	.60	..	..	..
6	6	.	...	Do. pref.	....	6	..	..	..
				N					
37½	31	1.60	4	Nat. Breweries	1778	36¾	37	36¾	36¾
42	38	1.75	4.3	Do. pref.	45	40	40½	40	40
6½	4½	.	...	Nat. Grocers	686	5¾	6	4½	5½
130	121	7	5.3	Do. pref.	15	130	130	129	129
22	16	.	...	N. Sew. Pipe A	40	16	14¾	14½	14½
18½	14	.	...	Nat. Steel Car.	515	15	15	13½	13½
204	175	8	4	National Tr.	25	198	198	198	198
22	15	1	...	Niag. W. Weav.	....	22	..	..	..
52	45½	3	5.7	Do. pref.	5	51	52	52	52
1.90	.70	.	...	North Star Oil.	....	1.00	..	..	..
4.00	1.50	.	...	Do. pref.	25	3.00	3.00	3.00	3.00
				O					
190	140	8	4.7	Ogilvie Flour	59	145	170	165	166
152	130	7	4.8	Do. pref.	....	145	..	..	..
8½	5½	.	...	Ont. Eq. 10% pd	35	8	7½	7	7
115	107½	6	5.2	Ontario Loan	2	114	115	115	115
13¾	8	.	...	Ont. Silknit	....	12½	..	..	..
98	75	1.75	...	Do. pref.	10	93	96	95	96
6½	5	.	...	Ont. Steel	....	5	..	..	..
.35	.15	.	...	Orange Crush	....	.30	..	..	..
17	6	.	...	Do. 1st pref.	....	15	..	..	..
.55	.20	.	...	Do. 2nd pref.	100	.50	.45	.45	.45
‡5	5	.	...	Ottawa Car	....	..	..	..	..
85	74	6	7.7	Ott. L. H. & Pr.	400	74½	77	76	76
107	100	6.50	6.2	Do. pref.	25	104½	104½	104½	104½
22	14	50c	..	Ott. Traction	5	20½	20½	20½	20½
				P					
88	75	3	3.8	Page Hersey	305	77½	79	78	79
‡30	24	.	...	Paton Mfg.	....	24	..	..	..
97	94	7	7.2	Do. pref.	5	97	97	97	97
63½	44	3	6.8	Penmans	20	44	44	44	44
115	106½	6	5.2	Do. pref.	5	115	115	115	115
24½	20½	1	4.5	Photo Eng.	310	23	23	22	23
91	70	7	8.2	Porto Rico Pr. p	....	85	..	..	..
10½	6½	.	...	Power Corp.	885	8½	8½	8	8½
94	80	6	7	Do. pref.	10	86	85	85	85
2.50	.80	.	...	Prairie C. Oil.	....	1.25	..	..	..
16	6	12½c	...	Pressed Metals	3416	11	16	11½	16
3.87	1.50	.	...	Price Bros.	160	2.00	2.00	1.75	2.00
33¾	15	.	...	Do. pref.	10	17	17	17	17
				Q					
17½	13¾	1	7.1	Quebec Power	161	14	14	14	14
				R					
58	40	2	5	Real Estate L'n.	....	40	..	..	..
7	4½	.	...	Regent Knit.	70	5½	5	5	5
3½	3½	.	...	Reliance Grain	....	3½	..	..	..
30	27	1	3.3	River. S. Mills	20	29½	29¾	29¾	29¾
9	5¾	.	...	Rogers Majest.	725	6½	6	6	6
92	83	6	7.1	Rolland P., pf.	40	86	86	84	84
173½	137	8	5.7	Royal Bank	365	140	140	138	139½
30	20	.	...	Russell Motor	....	30	..	..	..
96	70	6	6.3	Do. pref.	15	96	95	95	95
				S					
3½	2	.	...	Sarnia Br. (A)	....	3½	..	..	..
‡1¾	1¾	.	...	Do. (B)	....	..	..	..	..
20	14¾	50c	2.9	Shawinigan	2211	17½	17½	16¾	16¾
17	11½	.	...	Sher. Wms.	285	12	12¾	11½	11½
110	100	1.75▲	..	Do. pref.	122	105	105	103½	103½
14	9¾	.	...	Simon & Son	15	11	10½	10½	10½
109½	90	.	...	Do. pref.	....	91	..	..	..
90	62	3	...	Simpson, Ltd.	181	65	65¾	65	65½
12	9	.	...	Do. (A)	....	10	..	..	..
8	5	.	...	Do. (B)	....	8	..	..	..
109	103	6	5.5	Simpson, R., pf.	....	109	..	..	..
14½	9¾	80c	5.8	So. Can. Pr.	1010	14	14	13¾	13¾
100	82	6	6.3	Do. pref.	39	92	94½	91½	94
1.90	.60	.	...	St. Law. Corp.	2270	1.25	1.45	1.25	1.45
8¾	3	.	...	Do. (A)	1510	6½	8	6½	7¾
39½	30	2	6.6	St. Law. Flour.	....	30	..	..	..
125	113	7	6.2	Do. pref.	....	113	..	..	..
16½	8½	.	...	St. Law. Pap. p	1322	13	15½	13	15½
7	4	.	...	Stand. Chem.	....	4	..	..	..
1.75	.70	.	...	St. Pav. & Mat.	30	1.05	.80	.80	.80
15	9	.	...	Do. pref.	....	12	..	..	..
25	20	.	...	Stand. Steel, pf.	....	25	..	..	..
50½	42½	1.75	3.5	Steel of Can.	3267	49¾	50	49½	49¾
48½	41	1.75	3.6	Do. pref.	55	48	43½	47½	48
4	2½	.	...	Sterling Coal	....	2	..	..	..
4½	4¾	.	...	Stop & Shop	....	4¾	..	..	..
3	2½	.	...	Supersilk, TC	....	2½	..	..	..
70	58½	3.50	5.2	• Do. pref.	....	68	..	..	..
29	21½	1	3.5	Sup. Pete. ord.	828	28½	29	28	29
27	23	1	3.5	Do. com.	6	26¾	28	28	28
115	110	7	6.4	Do. pref.	....	110	..	..	..
				T					
30	23	.	...	Tamblyn	....	24	..	..	..
114	110	7	6.2	Do. pref.	....	112	..	..	..
6	2½	.	...	Thayers	50	2½	2¾	2½	2½
41	33	3.50	10.6	Do. pref.	....	33	..	..	..
2.00	1.00	.	...	Thrift Stores	....	2.00	..	..	..
13	5	.	...	Do. pref.	10	7	6	6	6
12¾	7	.	...	Tip Top Tailors	5	9	8½	8½	8½
98½	90	7	7.5	Do. pref.	....	93	..	..	..
‡22	10	.	..	Tooke Bros.	....	..	..	..	..
15	15	.	...	Do. pref.	....	15	..	..	..
42	33	1	2.5	Tor. Elevators	....	39	..	..	..
129½	108	7	5.9	Do. pref.	38	115	118	115	118
125	98½	6	5.7	Tor. Gen. Tr.	40	105	105	103½	103½
121	110	6	5.1	Toronto Mtge.	3	116	116	116	116
.15	.10	.	...	Traymore	....	.10	..	..	..
.90	.50	.	...	Do. pref.	....	.50	..	..	..
145	133½	7	4.8	Tuckett Tob. p.	....	145	..	..	..
4½	2	.	...	Twin City	....	3	..	..	..
b27¾	18¾	.	...	Do. pref.	....	23	..	..	..
				U					
6	3¾	.	...	Union Gas	1675	5¾	5¾	5¾	5¾
1.40	.50	.	...	United Distill.	25	.80	.60	.60	.60
13	3	.	...	United Fuel	....	..	..	..	..
25	15½	.	...	Do. pref.	....	..	..	..	..
9	9	.	...	Un. Amuse. A.	60	18½	19	18½	18¾
17½	7½	.	...	Do. (B)	....	9	..	..	..
30	24	2	8	United Secs.	....	25	..	..	..
5	2	.	...	United Steel	715	2¾	3½	3	3½

Montreal, Toronto and Curb Markets (Cont'd)

Range 1935 High	Range 1935 Low	Divd. Rate in $	Y'ld in %		Sales	Close Sept. 6 (last)	High	Low	Close
				V					
2.00	1.00	.	...	Viau Biscuit	100	1.10	1.25	1.00	1.00
20½	12	.	...	Do. pref.	60	16	15	15	15
				W					
27	16	.	...	Wabasso Cot.	....	17	..	..	..
33	23	.	...	Walker-Good.	5655	27	28½	26½	27½
18½	16¾	1	5.6	Do. pref.	962	17½	17¾	17½	17¾
4.25	2.15	.	...	Walkerville Br.	710	2.35	2.50	2.35	2.40
2.75	1.00	.	...	Waterloo Mfg.	....	1.50	..	..	..
6	2½	.	...	West. C. Flour	....	3½	..	..	..
52	20	.	...	Do. pref.	....	26	..	..	..
36	32	50c	...	West. Grocers	25	36	43	43	43
100	95	7	7.1	Do. pref.	....	99	..	..	..
120	120	7	5.8	W. Koot. Pr. pf.	....	..	..	..	..
16	15½	.	...	Weston Ltd., n.	1980	16	17	15½	16
115	108	7	6.2	Do. pref.	36	112	112	112	112
7¾	1½	.	...	Whittall Can	1770	4	7½	4½	7½
98	75	6.50	6.9	Do. pref.	605	95	98	94	98
3	2	.	...	Windsor Hotel	....	2	..	..	..
8	6	.	...	Do. pref	....	6	..	..	..
2.25	.90	.	...	Winnipeg Elec.	75	1.10	1.10	1.10	1.10
10	4	.	...	Do. pref.	....	7	..	..	..
30	20½	.	...	Wood, A. & J. P	....	20½	..	..	..
70	53	.	...	Woods Mfg. pf.	....	53	..	..	..
				Z					
5½	2½	.	...	Zimmerknit, c.	81	2½	2½	2½	2½
85	63½	7	11	Do. pref.	....	63½	..	..	..

‡ Quotations for 1934. § Quotations for 1933. † Quotations for 1931. No sales recorded in 1935 to date. b New York Quotations. ▲ On account of arrears.

Active Corporation Bonds

(Furnished by Toronto Bond Traders' Assoc.)

September 17, 1935

Public Utility Issues:	Int. Rate	Due	Bid	Asked	Bid Sept. 10
‡Avalon Telephone	5½%	1948	...	...	100
Beauharnois L. H. & Pwr.	5½%	1973	92½	94½	92½
Beauharnois Power Corp.	5%	1973	35½	37½	35½
*Bell Telephone	5%	1955	111½	114	114
*Bell Telephone	5%	1957	114	116	116
†B. C. Power	5%	1960	96	99	97
†B. C. Power	5½%	1960	102	104	102
†B. C. Telephone	5%	1960	104	106	104½
†Calgary Power	5%	1960	95	98	94½
Calgary Power	5%	1964	93	96	93
†Canada Northern Power	5%	1953	100½	102½	100½
†Cedars Rapids Mfg. & Pwr.	5%	1953	110½	112½	109½
Dominion Gas & Electric	6½%	1945	78	81	79
Duke-Price Power	6%	1966	102½	104½	103
*Gatineau Power	5%	1956	85	87	86½
*Gatineau Power	6%A	1941	74½	77½	76½
*Gatineau Power	6%B	1941	74	77	75
*Internat'l Hydro-Electric	6%	1944	47	50	49
†Maclaren-Quebec Power	5½%	1961	67½	70½	68½
Maclaren-Quebec Power	5½%	1964	67	70	68
*Manitoba Power	5½%	1951	60	63	59½
†Montreal Island Power	5½%	1957	102	104	102
†Montreal L. H. & Pwr.	5%	1951	107	108½	106½
†Montreal Public Service	5%	1942	105	...	105
†Montreal Tramways	5%	1955	83½	86½	83½
†Montreal Tramways	4½%	[illegible]	[illegible]	81	79
†Montreal Tramways	5%	1941	102	104	101½
National Light & Power	6%	1949	92½	95½	92½
†N. S. Light & Power	5%	1958	103½	105½	103½
†Ottawa Lt., Heat & Pwr.	5%	1957	104½	106½	104½
†Ottawa Valley Power	5½%	1970	95	98	94½
†Power Corp.	4½%	1959	84½	87½	84½
†Provincial Light & Pwr.	5%	1946	105	...	105
*Quebec Power	5%	1968	104½	106½	104½
†Shawinigan Water & Pwr.	4½%	1970	98	100	99
†Shawinigan Water & Pwr.	5%	1970	103	105	103½
†Southern Canada Power	5%	1955	104½	106½	104½
†United Securities	5½%	1952	80	83	80½
†West Kootenay Power	5%	1956	105½	107	105½
†Western Power Co.	5%	1949	104½	106½	104½
*Winnipeg Electric	5%	1935	98	100	98½
*Winnipeg Electric	6%	1954	62½	65½	61½
Industrial and Realty Issues:					
Abitibi Pwr. & Paper	5%	1953	31½	33½	28½
†Acadia Sugar	6%	1946	103	105	103½
†Alberta Pacific Grain	6%	1946	85	88	87
‡Asbestos Corp.	5%	1942	82	85	81½
Brandram-Henderson	6%	1936	98	...	98
British American Oil	5%	1945	104½	106½	104½
British American Oil	4%	1945	101½	103½	101
Burns & Co.	5½%	1948	54	57	52
Canada Bread	6%	1941	106½	108½	106
†Canada Cement	5½%	1947	102½	104½	102½
†Canada Paper	6%	1945	100½	...	100½
‡Canada Steamship	5%	1943	100	...	100
Canada Steamship	6%	1941	40½	43½	42
†Canadian Canners	6%	1950	104	106	104
Canadian Cons. Felt	6%	1940	100	...	100
C. P. R.	6%	1942	106	108	106½
C. P. R.	4½%	1944	94	96	94½
*C. P. R.	5%	1954	104	106	104½
C. P. R.	5%	1949	93½	95½	94
C. P. R. Perp. Deb.	4%	....	85	87	86
†Canadian Vickers	6%	1947	72½	75½	73
Consolidated Paper	5½%	1961	17½	19½	15½
Debenture & Security	4%	1938	95	100	90
†Dominion Canners	6%	1940	108	110	107
†Dominion Tar	6%	1949	98½	100½	98½
Dom. Wool. & W. (with stock)	6%	1948	12½	15½	...
†Donnacona Paper	5½%	1948	38	41	35½
†Eastern Dairies	6%	1949	86½	89½	87
Eaton T. Realty	5%	1949	100	102	100½
†Famous Players	6%	1948	101½	103	101½
†Famous Players	6½%	1948	94½	97	94½
†Federal Grain	6%	1949	91	94	91½
Fraser Cos. (unstamped)	6%	1950	57	60	55½
Fraser Cos. (stamped)	6%	1950	51½	54½	...
†General Steel Wares	6%	1952	92½	95	93½
Great Lakes Paper	6%	1950	43	46	43½
†Gypsum, Lime & Alabast.	5½%	1948	89	92	89
Hamilton Cottons	5½%	1948	101	104	101
*Hamilton By-Prod. Coke	7%	1943	103	105	103
*Hinde & Dauch	5½%	1948	102	104½	102
†Internat'l. P. & P., Nfld.	5%	1968	98½	101½	99
Inter City Baking	5½%	1948	99½	101½	99½
Inter-City West Bakeries	6½%	1950	23	26	23
Lake St. John Pwr. & Pap.	6½%	1947	69	71	64
†London Can. Invest.	4½%	1948	79½	82	79½
London Realty	6%	1950	88	91	88
†Massey-Harris	5%	1947	86	89	86½
McColl-Frontenac	6%	1949	104½	106½	104½
†Mercury Mills	5½%	1953	35½	38½	34½
Metropolitan Building	7%	1944	101	...	101
Minn. & Ont. Paper	6%	1945	17	19	15½
*Montreal Coke	5½%	1947	102	...	102
‡Montreal Cottons	5%	1947	99	...	99
National Grocers	6%	1948	104½	...	104
Northern Ont. Bldg.	6½%	1939	94	96	...
†Penmans	5½%	1951	109	111	109
*Provincial Paper	5½%	1947	102	104	102
Queen's Hotel	6%	1947	83	86	84
*Reliance Grain	6%	1948	97½	100	98
Richmond Bay Bldg.	6½%	1947	95	98	92½
‡Riordon Pulp & Paper	6%	1942	104	...	104
†Rolland Paper	5½%	1948	103	...	103
Ruddy & Co., E. L.	6½%	1948	90½	93½	90
St. Lawrence Flour	6%	1941	103	...	103
†Simpsons Ltd.	6%	1949	103½	105½	103½
†Simpsons Ltd.	5½%	1949	99	101	99
†Smith, Howard	5½%	1953	103	105	103½
‡Steel Co. of Canada	6%	1940	110½	113½	111½
Stop & Shop	6%	1947	54	57	...
Toronto Carpet	6%	1944	102	...	102
United Amusement	6%	1942	98	...	98
United Corpns.	5%	1953	87	90	87
United Grain Growers	5%	1948	92½	95½	93
United Grain Growers	5½%	1949	95½	98½	96
‡Wabasso Cotton	6%	1947	102	...	102
Wabasso Cotton	7%	1942	104½	...	104½
Western Grain	6%	1949	65	70	67
Woods Mfg.	6%	1943	101	...	101
Zimmerknit Mfg. Co.	6%	1951	99½	102	98½

§Payable in U. S. only. *Payable in Can. or U. S. ‡Payable in Canada or U. K. †Payable in Can., U. S., or U. K. ▲Payable in N. Y.

Unlisted Mining Stocks

September 17, 1935

	Bid	Asked
Ascot	.26	.28
Arntfield Gold	.98	.99
Arntfield Synd.	1.06	1.11
Adanac	.08	.09
Ardeen	.09	.11
Athona (Gt. B. L.)	.60	.65
Athabaska Portals	.28	.30
Bailor	.01	.02
Bidgood Kirk.	.08	.09
Bankfield Gold	.46	.48
Bathurst	.01	.02
Bosquet Gold	.04½	.06
Can. Pandora	.03	.04½
Can. Radium	.40	.43
Casey Summit	.06	.08
Canusa Mining	.05	.06½
Casey Contact	.04½	.05½
Central Porc.	.17	.18½
Cons. Chib. Free	.59	.61
Cons. Chib. Pool	.53	.57
Columario Cons.	.01	.02
Dorval Siscoe	..	4.00
Dunlop Cons.	.00½	.01½
El Bonanza	.15	.17
Forty-four Gold	4.50	5.50
Glenora Gold	.08	.09
Galatea	.07	.08
Goldside	.02½	.03½
Gold Eagle	..	.21
Greenlaw	.05½	.06½
Hardrock	.55	.57
Hardrock Units	..	50.00
Hislop Gold	.04	.06
Horseshoe	..	.02½
Hudson Patricia	.08½	.10
Jellicoe	.04½	.05½
Johnson Nip.	.01½	.02½
Kirk. Gold Belt	.10	.12
Lafayette L. Lac	.04	.05
La Palme	.24½	.26
Long Lac Lagoon	..	.04
Lamaque Gold	2.10	2.20
MacFarlane	..	.02
MacL. Cockshutt	.04½	.05½
Magnet Lake	.04	.05
Matachewan Can.	.12½	.14
McCarthy Webb	.05½	.06½
Morrison Mines	..	.15
Mosher	.02	.03
N.A.M.E. Un.	24.00	..
North Shores	.02½	.03½
Oklend	.23	.25
O'Leary	.07½	.09
Opemiska	1.55	1.70
Pamour Porc.	2.00	2.05
Rice Lake	.03	.04
Shawkey	.37	.40
Silverado Gow.	.38½	.40½
Smelter Gold	.05	.05½
Smith Cobalt	.11	.13
Straw L. Beach	..	.12
Sturgeon R. Gold	.70	.73
Sun Bear	..	.15
Thom.-Cadillac	.03	.04
Wells L. Lac	.10½	.12
Wingold	.04½	.05½
Young David	.16	.18
Wendigo	.10	.13

Listed Bond Quotations

Week Ending Sept. 16, 1935

	Int. rate	Due	Yield	Latest Bid	High	Low	Range 1935 High	Range 1935 Low
Mtl. L. H. & P. Debs	3	1939	3.00	50½	50½	50	50¾	46

Although The Financial Post strives to obtain the closest quotations possible on the unlisted stocks and bonds in the various tables on this page and in its mining quotations elsewhere in this issue, the quotations are not guaranteed and no responsibility is assumed in connection with them. In inactive markets, many quotations can be little more than nominal but it is felt that even a nominal quotation giving an idea of approximate price is better than none at all.

Dominion and Provincial Bonds

(Furnished by Toronto Bond Traders' Assoc.)

Sept. 18, 1935

Dominion of Canada Bonds

			Bid —Sept. 18	Asked	Approx. Yield	Bid Sept. 11
Dominion	3½	15 Oct. 1935	99.90	100.15	1.31	99.90
Dominion	4	15 Oct. 1935	99.90	100.20	1.10	99.90
Dominion	2	15 Oct. 1936	99.90	100.30	1.72	99.90
Dominion	5	15 Nov. 1936	102.25	103.25	2.17	103.00
†‡Dominion	5	1 Mar. 1937	105.25	106.00	.85	105.50
‡Dominion	5½	1 Dec. 1937	106.00	107.00	2.20	107.75
Dominion	2½	15 Oct. 1939	100.00	101.00	2.24	100.50
Dominion	4	15 Oct. 1939	103.00	104.00	2.95	106.00
Dominion	4½	1 Sept. 1940	103.25	104.50	3.56	107.50
Dominion	5	15 Nov. 1941	104.00	105.00	4.07	109.50
Dominion	3	15 Oct. 1942	99.50	100.50	2.92	102.00
Dominion	2½	1 June 1943	98.50	99.50	2.57	99.25
Dominion	5	15 Oct. 1943	105.00	106.00	4.12	111.00
Dominion	4½	15 Oct. 1944	104.00	105.00	3.84	108.00
Dominion	4	15 Oct. '43-45	102.50	103.50	3.50▲	104.00
Dominion	4½	1 Feb. 1946	104.25	105.25	3.89	107.75
Dominion	3½	15 Oct. '44-49	100.00	101.00	3.37▲	101.25
Dominion	4	15 Oct. '47-52	102.25	103.25	3.67▲	103.50
Dominion	3	1 June '50-55	98.00	99.00	3.07	98.25
Dominion	4½	1 Nov. '46-56	103.50	104.50	3.99▲	107.00
Dominion	4½	1 Nov. '47-57	103.50	104.50	4.03▲	107.00
Dominion	4½	1 Nov. '48-58	104.00	105.00	4.01▲	107.00
Dominion	4½	1 Nov. '49-59	104.00	105.00	4.03▲	107.00

Dominion Guaranteed Bonds

		Bid	Asked	Approx. Yield	Bid Sept. 11
*G. T. P. Ry. 3	1 Jan. 1962	97.75	98.75	3.07	98.50
Can. N. Ry. 3	1 May 1944	98.75	99.75	3.02	99.50
Can. N. Ry. 3	15 Dec. '45-50	97.75	98.75	3.10	98.00
*Can. N. Ry. 4½	1 Sept. 1951	105.50	106.50	3.95	109.00
*Can. N. Ry. 4½	1 Feb. 1956	106.00	107.00	3.99	110.00
†Can. N. Ry. 4½	1 July 1957	105.00	106.00	4.08	109.00
*Can. N. Ry. 4¾	15 June 1955	107.50	108.50	4.12	112.00
Can. N. Ry. 5	1 Feb. 1954	106.00	107.50	4.40	113.00
*Can. N. Ry. 5	1 July 1969	107.50	109.00	4.24▲	112.00
*Can. N. Ry. 5	1 Oct. 1969	109.25	110.75	4.24▲	114.00
*M. Harb. C. 5	1 Nov. 1969	109.50	111.50	4.17▲	115.00

Provincial Government Bonds

Eastern—			Bid	Asked	Approx. Yield	Bid Sept. 11
†N. Bruns.	4½	15 Apr. 1961	103.00	105.00	4.18	106.50
†N. Bruns.	5	15 Jan. 1960	106.00	108.00	4.46	112.00
N. Bruns.	5½	15 May 1950	107.00	109.00	4.86	112.00
N. Scotia	4½	15 May 1943	104.00	105.00	3.74	106.50
†N. Scotia	4½	15 Sept. '47-52	104.00	106.00	3.87▲	107.00
N. Scotia	4½	15 May 1961	106.00	108.00	4.00	108.00
†N. Scotia	5	1 Mar. 1960	108.00	110.00	4.33	112.00
*Ontario	4	1 June 1962	99.00	102.00	3.88	102.00
*Ontario	4½	1 Sept. 1944	105.00	106.50	3.65	106.00
Ontario	4½	1 June 1950	101.00	103.00	4.23	106.00
*Ontario	4½	15 Jan. 1962	104.00	107.00	4.07	106.00
Ontario	5	15 Oct. 1948	104.00	106.00	4.39	109.50
*Ontario	5	2 Dec. 1960	108.00	111.00	4.28	114.00
Ontario	5½	1 July 1946	106.50	108.50	4.51	112.00
O. H. C.	3½-4-5	1 Oct. '33-52	99.50	100.50	2.55▲	100.00
*Ont. Hyd. C.	4	1 Aug. 1957	100.00	102.00	3.86	101.50
Ont. Hyd. C.	4¾	1 Jan. 1970	106.00	108.00	4.30	108.00
Quebec	4	15 Mar. 1952	102.00	104.00	3.67	104.00
Quebec	4¼	1 Aug. 1958	105.00	107.00	3.79	108.50
Quebec	4½	2 Jan. 1963	107.00	109.00	3.96	111.00
Western—						
†Alberta	4	1 Dec. 1957	85.00	88.00	4.88	86.00
†Alberta	4½	1 Oct. 1956	88.00	91.00	5.20	90.00
†Alberta	5	1 Jan. 1948	92.00	94.00	5.68	93.00
Alberta	5	1 Sept. 1955	92.00	94.00	5.50	93.00
*Alberta	5	1 Oct. 1959	92.00	94.00	5.45	94.00
†Alberta	5½	1 Jan. 1947	93.00	96.00	5.99	96.00
Alberta	6	1 Mar. 1947	96.00	99.00	6.12	98.00
†Brit. Col.	4	1 Dec. 1957	90.00	93.00	4.50	90.00
*Brit. Col.	4½	15 Jan. 1951	96.00	98.00	4.68	96.00
†Brit. Col.	4½	1 Oct. 1953	93.50	95.50	4.88	95.00
†Brit. Col.	5	15 Jan. 1948	98.00	100.00	5.00	98.00
Brit. Col.	5	1 Sept. 1953	97.00	99.00	5.09	98.00
Brit. Col.	5½	1 Feb. 1945	98.00	100.00	5.50	99.50
Brit. Col.	6	15 Feb. 1947	100.00	102.00	5.76	103.00
†Manitoba	4	1 Dec. 1957	95.00	97.00	4.21	96.00
†Manitoba	4½	15 Dec. 1956	98.50	100.50	4.46	100.00
†Manitoba	5	15 June 1954	102.00	104.00	4.67	105.00
*Manitoba	5	2 Dec. 1959	105.00	107.00	4.50	106.00
Manitoba	5½	1 Oct. 1955	101.00	103.00	5.26	104.00
Manitoba	6	1 Apr. 1947	102.00	104.00	5.53	105.50
Sask.	4	15 Aug. 1953	85.00	87.00	5.11	88.00
*Sask.	4½	2 July 1945	94.00	97.00	4.88	96.00
†Sask.	4½	1 Oct. 1951	92.00	94.00	5.05	95.00
Sask.	5	1 Aug. 1958	95.00	97.00	5.22	97.00
†Sask.	5½	15 Nov. 1946	98.00	101.00	5.38	100.00
Sask.	6	15 Mar. 1952	102.00	104.00	5.62	104.00

Municipal Bonds

			Bid	Asked	Approx. Yield	Bid Sept. 11
†Calgary	5½	2 June 1944	75.00	85.00	7.90	75.00
†Edmonton	5½	1 Nov. 1945	86.00	90.00	6.88	86.00
†Halifax	5	1 July 1961	105.00	107.00	4.54	110.50
Hamilton	5	1 May 1950	......	......	...	105.25
Montreal	5	1 Mar. 1945	101.50	103.00	4.60	102.50
Ottawa	4½	1 July 1945	......	......	...	105.25
†Quebec	5	1 June 1959	105.00	107.00	4.52	105.50
Regina	5	1 July 1944	75.00	80.00	8.25	75.00
St. John	5	15 Dec. 1950	104.00	106.00	4.46	105.50
†Toronto	4½	1 Jan. 1955	......	......	...	105.85
Vancouver	5	1 June 1969	87.00	91.00	5.59	87.00
Victoria	5	21 July 1945	92.00	96.00	5.53	92.00
Winnipeg	5	1 Mar. 1944	100.00	103.00	4.56	103.00

*Payable Can., N.Y. & £. ▲Calculated to call date giving lowest possible yield. †Payable Can. & N.Y. •Calculated to maturity, although callable prior to that date. ‡Exempt from Dominion income tax.

Unlisted Canadian Stocks

(Furnished by A. J. Pattison Jr. & Co., Toronto)

September 17, 1935

Industrial Stocks:	Bid	Asked
Acadia Sugar, c.	2.75	3.00
Do., pfd.	4.70	5.00
Acme F. Dairy, p.	41.25	...
Allens Beach, p.	52.00	...
Allens Tor. p. b. c.	23.00	...
Aluminium Ltd.	26.00	29.50
Andian National	45.00	47.00
Atlantic Sugar, p.	105.00	106.00
B. C. P. & P. p.	7.50	11.00
Burns & Co., A	4.25	5.25
Do., B	2.75	3.50
Can. Dom. Sug.	55.75	56.50
Can. Mach., c.	.25	.50
Canada Paper, p.	65.00	75.00
Canada Starch, c.	13.00	...
Do., pfd.	82.00	...
Can. Wire & C., p.	61.00	65.00
Can. Indus., A, c.	197.00	...
Do., B, c.	196.00	199.00
Do., pfd.	159.00	160.50
Can. P'board, p. b.	4.25	6.00
Can. Tube 1st pfd.	28.00	...
Can. Westinghouse	47.00	48.50
Chase, A. W., p. b.	23.00	26.00
Cl. Neon Ad. U.	4.00	5.00
Copeland Fl. M. U.	4.50	6.00
Corr. P. Box, p.	81.00	82.00
Dom. F. & Steel com. (New)	21.00	22.00
Do., pfd. (New)	77.00	80.00
Dom. Manufac., c.	2.25	...
Donna. Paper, A	2.25	3.00
Dunlop Tire, p.	...	67.00
Eastern Dairies, p.	12.50	14.50
Edm. C. Dairy, p.	49.50	...
Fed. Grain, c.	.50	1.00
Do., pfd.	26.00	28.00
Gen. St. Wares, p.	37.00	39.00
God. Elevator	5.25	6.00
Greening Wire, p.	99.00	102.00
Guelph Carpet, p.	97.50	99.00
Do., com.	14.50	15.50
Hayes Wheels, p.	...	9.00
Highland Dairy, c.	3.00	3.50
Do., pfd.	...	...
Hueth. Brew, f. p.	2.60	3.25
Inter City Bak. c.	17.50	20.00
Inter. Met Ind. A, p.	30.00	35.00
Loew's London, p.	1.75	2.00
Loew's Tor. pfd.	112.50	...
Mansf. Theat., p.	25.50	26.50
Maple Leaf Gdns. pfd.	3.65	4.50
Massey Harris, p.	23.50	24.50
Mercury Mills, p.	5.00	6.75
Morrow Screw, p.	95.50	...
New M. Laund. pfd. bonus	66.00	70.00
Niag. W. Weav, p.	50.50	52.00
Para. Oshawa, p.	56.00	...
Prov. Paper, p.	99.25	100.50
Rel. Grain, p.	62.50	...
Rob. Cons. Cone	8.00	8.75
Rolland Paper, p.	84.00	87.00
Ruddy, E. L., p.	26.00	30.00
Silver. Dair., p.	40.00	...
Stand. Fuel, p. b.	102.00	103.50
Super. Pet. B, p.	26.00	27.00
Tor. Carpet, p.	26.50	...
United Amuse. A	10.25	12.00
Do., B	10.00	11.00
Un. Steel, p.	3.50	4.00
West. Grain, p. b.	10.00	11.50
Insurance Stocks:		
Brit. America	35.50	37.50
Canada Life	465.00	475.00
Canadian Fire	74.00	78.00
Canad. Ins. Sh., c.	10.00	11.00
Con. L. 20% pd.	119.00	125.00
Cont. L. 20% pd.	35.00	39.00
Crown Life	103.00%	...
Dominion Fire	114.00	...
Dom Life 50% pd.	270.00	300.00
Dom. of Can. Gen.	...	84.00
Empire L. 25% pd.	5.00	...
Excel. L. 30% pd.	70.00	74.00
Fed. Fire 25 %pd.	34.50	38.50
Fidelity of Can.	48.00	60.00
Gt. West Life	390.00	405.00
Guar. Co. of N. A. fully pd.	245.00	...
Imperial Life	315.00	...
Manuf. Life	252.00	260.00
Mon. L. 10% pd.	17.00	18.50
Nat. L. 25% pd.	53.50	57.00
Sov. L. 25% pd.	14.00	18.00
Sun Life	410.00	425.00
Tor. General Ins.	4.50	5.25
West. Assur., c.	35.00	37.00
Do., 12% pfd.	39.50	46.50
W. Em. L. 20% pd.	...	3.00
Trust & Loan Stocks:		
Chartered Trust	75.00	80.00
London & W. Tr.	34.00	36.50
Premier Trust	88.00	92.50
Sterling Trust	30.00	35.00
Traders Fin., B, p.	64.00	...
Do., com.	.55	...
Trusts & Guar.	31.00	33.50
Victoria Trust	118.00	125.00
Waterloo Trust	99.00	...
Investment Trust Shares:		
Can. Gen. Invest.	6.25	6.45
Can. Investors	5.75	6.50
Can. Int. Tr. U.	26.50	28.50
Cons. Div. Sec. U.	10.75	12.00
Deb. & Sec., p.	27.50	30.00
Dom. & Anglo In. Units	199.00	...
Dom. Scott. In. U.	22.50	25.00
For. Power, p.	8.25	10.00
Invest. Found. U.	39.00	41.00
Sec. Holding C. U.	11.25	13.00
United Corpns., A	18.00	18.75
Do., B	5.75	6.25
Power Issues:		
Calgary Power, p.	78.00	80.00
Can. L. & P., c.	25.00	28.00
Can. West. Nat. Gas, pfd.	88.00	90.00
Do., com.	17.50	21.00
Gt. Lakes Pwr., p.	65.00	68.00
Mari. Tel. & Tel. p.	14.75	15.50
N. B. Tel., com.	10.50	11.50
N. S. L&P, c.	46.00	...
Do., pfd.	99.00	...

Recent London Quotations:

Brit. Col. Tele., pfd.	$103
Brew. & Distillers	3s. 6d.
Canada Company	7s. 6d.
Can. & For. Secs.	4s.
Can. Collier, $1 com.	11d.
Do., pref. $10	4½d.
Can. N. W. Land	10s.
Can. West. Lumber	10½d.
Hudson's Bay	16s. 9d.
Do., pref.	86s. 3d.
Imp. Tob. (Canada) 6% pfd.	27s. 6d.
Third Can. Gen. Inv.	6s. 6d.

Winnipeg Stock Exchange

(Transactions from Aug. 30 to Sept. 6)

Div. rate in $	Yield in %		Sales	High for period	Low for period	Close Sept. 6
..	..	Crescent Cream., pfd.	5	31.00	31.00	31.00
..	..	Federal Grain, pf.	45	28.00	28.00	28.00
..	..	Flin Flon Synd.	9,500	.30½	.27	.28
..	..	Forty-Four	45	4.50	4.50	4.50
..	..	Gabrielle	1,000	.11	.11	.11
..	..	Gold Lake	300	.23	.22	.23
20	5	Great-West Life	18	400.00	400.00	400.00
..	..	Home Invest.	10	25.00	25.00	25.00
..	..	Knee Lake	112	.35½	.31	.35
..	..	Island Lake	2,008	.02½	.02	.02½
..	..	Ore Grande	2,000	.05½	.05	.05½
..	..	Pelissiers pfd.	20	16.00	16.00	16.00
1	7.4	United Grain	18	14.00	13.50	13.50
..	..	Rice Lake Sh.	3,000	.03½	.03½	.03½
..	..	West. Brew.	25	1.75	1.75	1.75
..	..	West. Grocers, pf.	60	108.00	108.00	108.00
..	..	Wingold	5,600	.06	.05	.05½
..	..	Wylie Dom.	9,250	.16	.10	.13½

Stocks Not Traded in During Week*

	Bid	Ask		Bid	Ask
Beaver Fire	..	100	West. Grain, pfd.	8½	..
Beaver Lumber, c.	..	3	Can. Amer. Trust	3.05	3.30
Candn. Fire Ins.	72	..	Can. Inv. Fund	...	3.75
City Dairy, A	..	10	Vanson Man.	.02	.03
Federal Grain	..	75	Fundamental A	4.93	5.30
Monarch L. 10% pd.	17	18½	Series B	4.66	..
Northern Trust	..	7	Grouped Inc.	4.72	5.20
Rel. Grain, pfd.	..	66½			

*Stocks more active on other exchanges not included.

Classified Advertisements

Classified ads cost 4c. per word and figure for each insertion. Minimum ad, $1.75. Add five words when box number is required. Classified ads payable in advance.

Business Wanted

FIRM WITH LONG AND SUCCESSFUL manufacturing and selling experience is in a position to add a new line capable of national and export development. Will invest in or buy outright; preferably in old established business of high repute where owners are thinking of retiring. Address in confidence. Box 222, The Financial Post.

Sales Manager Available

DESIRES POSITION WITH TEXTILE or Knit goods manufacturer or selling to chain and Department Stores in Toronto. Selling record highest—replies confidential. Box No. 234, The Financial Post, Toronto.

DIVIDEND NOTICES

The Dominion Bank

Notice is hereby given that a Dividend of two and one-half per cent upon the paid up capital stock of this Institution has been declared for the quarter ending 30th September, 1935, being at the rate of ten per cent per annum, and that the same will be payable at the Head Office of the Bank and its Branches on and after Tuesday, the 1st day of October, 1935, to shareholders of record of the 20th September, 1935.

By Order of the Board.

DUDLEY DAWSON,
General Manager.

Toronto, 15th August, 1935.

The Toronto Mortgage Company

Quarterly Dividend

NOTICE is hereby given that a dividend of Three per cent., upon the paid-up Capital Stock of this Company, has been declared for the current Quarter, and that the same will be payable on and after 1st October, 1935, to Shareholders of record on the books of the Company at the close of business on 14th instant.

By Order of the Board,

WALTER GILLESPIE,
Manager.

The Whittall Can Company, Limited

DIVIDEND NOTICE

Notice is hereby given that a Dividend of one and five-eighths per cent (1⅝%), being at the rate of six and one-half per cent (6½%) per annum, on the Cumulative (Redeemable) Preferred Stock of the Company, has been declared, payable 1st October, 1935, to Shareholders of record 14th September, 1935.

By Order of the Board.

D. H. MACFARLANE,
Secretary-Treasurer.
Montreal, September 9th, 1935.

Ottawa Light Heat and Power Company, Limited

Quarterly dividends as follow, are payable 1st October, 1935, to Shareholders of record 18th September, 1935:

PREFERRED STOCK: 1-5/8%, (being at the rate of 6½% per annum).

COMMON STOCK: 1½%, (being at the rate of 6% per annum).

The transfer books will not be closed.

By Order,
F. W. FEE,
Secretary.
OTTAWA, 13th September, 1935.

77th Quarterly Dividend

Notice is hereby given that a dividend of Thirty-seven Cents per share (being at the rate of One Dollar and Fifty Cents per annum) on the no-par-value Common Shares of the Company presently issued and paid-up for Quarter ending September 30th, 1935, has this day been declared to shareholders of record, September 30th, 1935, on the Montreal and London, England, registers.

Dividend cheques will be mailed to registered shareholders October 31st, 1935.

By Order of the Board,
G. R. WHATLEY,
Secretary.

Montreal, September 16th, 1935.

Montreal Light Heat & Power
CONSOLIDATED

Owned by 60,000 shareholders, Montreal Light Heat & Power comprises the largest group of customer-owners possessed by any public utility company in Canada

Hollinger Consolidated Gold Mines Limited

DIVIDEND NUMBER 271
EXTRA DIVIDEND NUMBER 24

A regular dividend of 1%, and an extra dividend of 1%, making 2% in all, have been declared on the Capital Stock of the Company, payable on the 7th day of October, 1935, to shareholders of record at the close of business on the 20th day of September, 1935.

Dated the 13th day of September, 1935.

I. McIVOR,
Assistant-Treasurer.

ROSEDALE GOLD MINES LIMITED

(No Personal Liability)

DIVIDEND NOTICE

NOTICE is hereby given that a dividend of 1% on the issued capital stock of Rosedale Gold Mines, Limited, has been declared, payable October 1, 1935 to shareholders of record September 24, 1935. Dividend cheques will be issued by the Disbursing Agents, Prudential Trust Company, Limited.

On behalf of the Board,
A. RITCHIE,
Secretary.

VOLUME HIGHER CANADIAN CROPS, BUT QUALITY OFF

Coarse Grains and Pastures Far Ahead of 1934

Notwithstanding the very serious rust damage in August in western Canada, and the somewhat unfavorable weather in eastern Canada during the same month, the mid-September estimate of the Dominion Bureau of Statistics places Canada's field crop production this year at substantially higher levels than in 1934.

The total Canadian wheat crop is estimated at well over 290 millions of bushels as compared with 275 millions in 1934, or a gain of slightly over 5 per cent. The quality of the 1935 crop, however, is reported as definitely poorer with about 60 million bushels of wheat so shrunken by frost, or rust, as to be unfit for milling.

Fall Wheat

The total figures include fall wheat largely produced in Ontario. The latter crop is estimated at over 13 millions of bushels this year as compared with under seven millions a year ago.

Spring Grains Up

Among the coarse grains, however, very large gains are reported with oats up 40 per cent from a year ago, barley up 14 per cent and very large gains in rye and flax seed as well.

A 23 per cent increase in the production of hay and clover is indicated, most of this gain being accounted for by heavier returns in Ontario and the Prairie Provinces. In the latter, the increase is particularly pronounced due to the fact that practically no hay was harvested in the drought sections of southern Alberta and southern Saskatchewan a year ago.

While it is too early to make any definite prediction in regard to such late sown crop a slight gain is predicted for the total potato crop, a decrease in the eastern provinces being offset by gains in the west, while decided increases are expected in corn and roots.

Detailed estimates for grain and hay with comparisons with last year's figures follow:

	1935 bush.	1934 bush.
All wheat	290,541,000	275,252,000
Oats	449,297,000	321,120,000
Barley	94,550,000	63,742,000
Rye	13,354,000	5,423,000
Flaxseed	1,636,000	910,400
	tons	tons
Hay	13,788,000	11,174,000

DIVIDEND NOTICES

Provincial Paper Limited

Notice is hereby given that Regular Quarterly Dividend of 1¾% on Preferred Stock has been declared by PROVINCIAL PAPER LIMITED payable October 1st, 1935, to Shareholders of record as at close of business September 15th, 1935.

W. S. BARBER,
Secretary-Treasurer.
Toronto, Ontario.

United Securities Limited

Notice is hereby given that a dividend of Fifty cents (50c) per share has been declared on the outstanding common shares of the Company for the quarter ending September 30th, payable October 15th, to shareholders of record September 26th, 1935.

By Order of the Board,

JAMES WILSON,
Secretary-Treasurer.
Montreal, September 17, 1935.

McCOLL-FRONTENAC OIL COMPANY LIMITED

Preferred Dividend No. 31

NOTICE IS HEREBY GIVEN that a Dividend of $1.50 per share, being at the rate of 6 per cent. per annum, has been declared on the 6 Per Cent. Cumulative Preferred Stock of McColl-Frontenac Oil Company, Limited, for the Quarter ending September 30, 1935, payable October 15, 1935, to shareholders of record at the close of business on September 30, 1935.

By Order of the Board,
FRED HUNT,
Secretary.
September 16, 1935.

BUILDING PRODUCTS LIMITED

DIVIDEND NOTICE

NOTICE is hereby given that a dividend of twenty-five cents (25 cents) per share has been declared on the outstanding common shares of the company for the quarter ending September 30th, 1935, payable October 1st, 1935, to shareholders of record September 18th, 1935.

By order of the Board,
R. C. CROOKER,
Secretary-Treasurer.

Belding Corticelli Limited

DIVIDEND No. 38

Notice is hereby given that on the Common Stock of this Company, the Directors have declared a Quarterly Dividend of 1%, payable on the 1st day of November to Shareholders of record at the close of business the 15th day of October, 1935.

By Order of the Board,

D. F. POLLOCK,
Secretary.

Wheat

From Our Own Correspondent

All Grades in Crop

WINNIPEG. — The Canadian Wheat Board announced on Tuesday the minimum fixed prices it is prepared to pay on approximately 250 different grades of wheat. Large as the number is, it is probable that all different grades will be found in this year's crop, owing to damage from various causes and combinations of causes.

In most cases the spreads between different prices for different grades correspond fairly closely with these currently prevailing on the market. Most of the announced prices are lower than prices currently prevailing for the same grades, due to the advance in the market which occurred at the beginning of this week. Exception is found in the Durum grades, which have been placed by the Board on an equality with bread wheat of the Manitoba Northern grades, although the market is at present valuing them at less. In the case of lower grades, it is considerably less.

Contrary to expectations, the Garnet grades were established at discounts under the grades applying to grades containing wheat of the Marquis type. No. 1 Garnet was given a discount of 5 cents a bushel under No. 1 Northern, the price of which had already been established at 87½ cents a bushel, and No. 2 Garnet was given the same price, 81 cents, as No. 3 Northern.

• • •

Grain From Farmers

THE Board will be prepared this week to accept grain from farmers in carload lots delivered at terminals, but final arrangements to have grain accepted in the country by elevator companies acting as agents for the Board will not be in effect until next week. Farmers with carloads of grain at terminals must elect within five days whether or not they will sell to the Board, but a longer, and possibly indefinite time is expected.

No immediate rush to sell grain to the wheat Board is expected. Protected by the minimum, and with market prices for the present at least above these offered by the Board, many farmers intend to delay selling for a time, until they can calculate whether their ultimate returns are likely to be higher by selling on the open market or to the Board.

Nevertheless the Board is likely to have some millions of bushels within the next ten days, and the test of market strength will come when it commences to offer wheat continuously, as under the law it must do.

• • •

Lower Grades Sought

ONE feature of the situation was a comparatively strong enquiry for lower grades of wheat, especially fours and fives. Exporters were willing to take these, as discounts applying to them made them more competitive than the higher grades in overseas markets. There was also a desire to accumulate them, in spite of the large quantities of such grades which are expected shortly to come on to the market, because of an expectation that the Wheat Board might yield to pressure and establish fairly narrow spreads on low grades, which for a time at least might tend to make them unavailable.

• • •

Russian Exports

MIXED opinions are held as to the possibility of large exports from Russia, authentic information as to the wheat situation there is lacking. The only reliable indication is the actual offering of Russian wheat and this has been somewhat less insistent of late than expected. The outcome of the wheat crop in the Balkan countries is now put at a somewhat lower figure than earlier estimates, and the production of Northern Africa is also definitely small.

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Australia

EXPORT markets have been somewhat firmer in tone during the last month but the volume of sales is disappointing," reports the National Bank of Australia in an early August summary of grain conditions in that Dominion.

"Buyers are unwilling to purchase at present prices excepting for immediate use. Stocks in the United Kingdom and afloat are the lowest for about 20 years but even this exceptional condition fails to induce purchasing ahead of requirements, clearly indicating that importing houses are confident that Canadian wheat can be obtained at very short notice."

All of which is very interesting and incidentally has a familiar ring to wheat market operators the world over.

Minas Basin Pulp Offer Unsold Balance of Bonds

From Our Own Correspondent

MONTREAL.—Minas Basin Pulp and Power Co., of Hantsport, N.S., has circularized its stock and debenture holders offering the unsold balance of $30,000 of serial notes, maturing in one to three years and bearing interest ranging from 6 to 7 per cent.

The company operates a mill at Hantsport for the manufacture of high grade mechanical and sulphite pulp, practically the whole output being sold under firm contract for 16 months ahead to the Scott Paper Co., of Chester, Pa., on a cash basis. The company also operates its own hydro-electric power plant and through a wholly-owned subsidiary utilizes the tailing waste for the manufacture of fibre products.

CANADIAN GENERAL INVESTMENTS LIMITED

Dividend Notice.

NOTICE is hereby given that a dividend of Ten Cents (10c) per share on the paid-up capital stock of the Company has been declared for the quarter ending September 30th, 1935, payable October 15, 1935.

SHARE WARRANT holders will present Coupon No. 29 at the Main Office of the Bank of Montreal in Victoria, Vancouver, Calgary, Edmonton, Winnipeg, Montreal, Halifax, St. John, or at the King and Yonge Streets Branch, Toronto, where payment will be made at par.

By order of the Board,

R. M. STRAIN,
Secretary.

Canadian Wheat Purchases For United States Milling Influence Winnipeg Mart

Large Quantities of Better Class Grain Already Stored in East

Actual or potential buying of Canadian wheat for milling in the United States is one of the principal influences now at work on prices in the Winnipeg market. Considerable quantities of wheat of higher grades have been accumulated at the head of the lakes and in eastern positions, either directly by United States milling interests, or by agencies who expect to sell the wheat to mills in the U.S.. Quantities of wheat have already been moved to milling centres where it is unlikely to come back into the stream for export overseas. On a still smaller quantity has the United States duty of 42 cents a bushel been paid. The greater part of the wheat in question is still either in Canada or in bond in the United States, in such position that it can be resold for transatlantic movement if the milling demand in the United States should not reach the hoped-for proportions.

Practically at Par

When prices for May wheat at Chicago and Winnipeg are observed to be practically on a par, the hope for extensive importation of Canadian wheat would seem to be limited, but the market quotations do not reflect the high premiums United States millers are paying for selected milling wheat.

In the northwest spring wheat area, where protein content is high, and most wheat is light weight, premiums are being paid for heavy wheat, and in practically all other markets high protein wheat is being selected at a premium. With a 42-cent duty to be paid on Canadian wheat, millers can afford to pay fancy prices for all types of wheat that will help them maintain the strength of their flour. At Minneapolis the premiums tend to put the price of the best wheat at a bare margin under the import level. Any tendency to rise higher is at once checked by the prospect of a slackening in demand due to imports from Canada.

Expect Absorption

Milling authorities from the United States who have recently visited Canada believe that ultimately a good deal of Canadian wheat will be absorbed, but they are reluctant to put an estimate on the quantity. It is not difficult to calculate a theoretical demand for 50,000,000 bushels or more of wheat of the Canadian type. The unknown quantity in the equation, however, is the consumer, including both the baker and housewife. Taste in the United States is for a high grade flour of high protein content, but such flour is now selling for much more than flour made mainly of soft wheat. The differential is large enough so that it has already diverted a good deal of buying to the lower grades of flour, and once buyers have accustomed themselves to using flour of reduced gluten content, this effect may grow.

Scores Pessimism Over Grain Crop

The present Western grain situation does not call for pessimism, according to R. D. Colquette of the Country Guide, Winnipeg. At present prices, on the basis of the last government wheat estimate of around 275 millions of bushels, Mr. Colquette states that the 1935 grain crop will be worth almost $20 millions above last year, $82 millions above 1931, the same above 1932 and slightly over $70 millions above 1933.

"The impression that this year's crop suffered defeating disaster is not borne out," he says. "The wheat price and the yield will be better than in 1934 or 1933. The oat crop is almost as large as for the two previous years together. The barley crop is more than half as big again compared with 1934 or 1933."

WHEAT EXPORTS UP 50 PER CENT DURING AUGUST

Flour Shipments Down Slightly from August, 1934

Total Canadian wheat shipments for August, 1935 were up 50 per cent from the corresponding month a year ago, according to the summary just received from the Dominion Bureau of Statistics. Flour exports on the other hand, showed a moderate decline.

Wheat exports to the United States increased almost ten times to well over three millions of bushels in August. To the United Kingdom there was a gain over August, 1934, of almost 50 per cent to 17.1 million bushels. Flour exports in August, 1935, amounted to 203,529 bbls. as compared with 186,843 bbls. in August, 1934.

Details are as follows:

Wheat and Flour Exports

To	August 1935 Bus.	August 1934 Bus.
Wheat—		
United States	3,090,693	371,076
United Kingdom—		
via United States	13,162,443	3,880,603
via Canada	3,996,739	5,205,363
Total United King.	17,159,182	9,085,966
Other Countries—		
via United States	......	1,392,286
via Canada	1,448,409	3,860,347
Total other countries	1,448,409	5,253,633
Total wheat	21,698,284	14,709,675
Flour—	Bbl.	Bbl.
United States	8,162	36
United Kingdom—		
via United States	357	......
via Canada	203,172	186,843
Total United King.	203,529	186,843
Other Countries—		
via United States	19,466	40,678
via Canada	145,405	184,532
Total other countries	164,871	225,210
Total wheat flour	378,562	412,089

RUPERT C. REECE NEW PRESIDENT OF 'PEG EXCHANGE

W. J. Dowler and Henry Gauer Elected Vice-Presidents of Body

Rupert C. Reece, of K. B. Stoddart & Company, Ltd., was elected by acclamation to the presidency of the Winnipeg Grain Exchange at the annual meeting of that organization. He succeeds Roy W. Milner, general manager of the N. Bawlf Grain Co., Ltd.

Two vice-presidents were also given acclamations. They are W. J. Dowler, who enters his second term, and Henry Gauer, who assumed Mr. Reece's former position.

There were 26 candidates for 12 places on the council.

The complete slate of officers and standing committee members follows:

President, R. C. Reece; vice-presidents, W. J. Dowler, Henry Gauer; council, C. E. Austin (McCabe Bros. Grain Co. Ltd.); C. E. Eggleston (Hallet-Carey-Swart, Ltd.); R. T. Evans (British American Elevator Co. Ltd.); C. C. Fields (Norris Grain Co. Ltd.); L. D. Godfrey (broker); C. E. Hayles (Canadian Consolidated Grain Co. Ltd.); J. W. Horn (Western Canada Flour Mills Co. Ltd.); S. N. Jones (broker); R. W. Milner (N. Bawlf Grain Co. Ltd.); J. R. Murray (Alberta Pacific Grain Co. Ltd.); A. C. Reid (Western Grain Co. Ltd.); Sidney T. Smith (Reliance Grain Co. Ltd.) Committee of arbitration: C. E. Eggleston, H. Sellers, C. G. Smith, F. O. Fowler, G. R. Severson, R. D. Smith, S. N. Jones. Committee on appeals: W. R. Bawlf, W. H. McWilliams, J. A. Richardson, C. E. Hayles, E. S. Parker, A. P. White, W. A. Murphy.

Beefeaters

Beef has replaced pork as the most popular meat on Canadian tables. There has been a sharp decline in the consumption of pork in Canada in recent years and a moderate increase in the consumption of beef. In 1913 the per capita consumption of pork in the Dominion was 83.17 pounds; in 1932 it rose to 85.61 pounds, but in 1934 it was down to 66.36 pounds, while beef advanced from 57.79 pounds per head of population in 1931 to 68.66 in 1934.

Key Facts About Wheat

	Week bu.	Prev. Week bu.	Same Wk. Prev. Year bu.
Canadian Wheat in Store:			
Fort William, (Sept. 13)	48,737,000	48,373,000	57,460,000
Country elevators (Sept. 6)	48,697,000	43,987,000	77,426,000
Total (all points), (Sept. 6)	197,252,000	194,890,000	203,607,000
World Shipments (incl. flour): Sept. 9:			
North American	2,161,000	2,645,000	3,056,000
Argentine	2,432,000	1,890,000	4,552,000
Australian	1,393,000	1,068,000	1,336,000
Black Sea	1,296,000	1,144,000	448,000
Total (world)	8,010,000	7,395,000	10,208,000
Visible Stock: Sept. 16:			
Canadian	205,811,000	134,730,000	217,376,000
United States	65,978,000	61,450,000	....
Argentine	10,654,000	11,022,000	19,005,000
Australian	25,000,000	27,496,000	45,000,000
Country Marketings and Exports:†			
Canadian exports (Sept. 13)	2,311,000	1,246,000	2,879,000
Cum. to Sept. 6 (5 weeks)	8,898,000	7,834,000	16,126,000
Country marketings (Aug. 30)	4,802,509	2,313,638	16,491,316
Cum. to Aug. 30 (4 weeks)	10,181,851	5,379,342	31,527,037
Country deliveries (Sept. 13)‡	45,712,000	26,210,000	71,526,000
Country loadings (Sept. 13)‡	35,706,000	24,274,000	48,880,000

†Excluding flour. ‡Sanford Evans Weekly Report.

Winnipeg Grain Prices

Week to Sept. 17, 1935

Crop year from Aug. 1, 1935 High	Crop year from Aug. 1, 1935 Low		Open Sept. 11	High for week	Low for week	Close Sept. 17
		Wheat				
.93¾	.82⅝	Oct.	.89½	.93¾	.89¼	.93¾
.94⅛	.82⅝	Dec.	.89¾	.94⅛	.89¼	.94⅛
.97⅝	.85⅝	May	.92	.97⅝	.91⅝	.97⅝
		Oats				
.35½	.31⅛	Oct.	.33⅝	.34¼	.32⅝	.34⅛
.33⅛	.30	Dec.	.30⅝	.30⅝	.28¼	.30½
.33⅝	.32⅝	May	.32⅛	.33	.30⅞	.33
		Barley				
.38⅝	.32⅛	Oct.	.35⅝	.38⅝	.35	.38⅝
.38½	.32¾	Dec.	.36½	.38½	.35⅝	.38½
.41½	.36¾	May	.39¼	.41½	.38⅝	.41½
		Flax				
1.38	1.21¼	Oct.	1.31½	1.38	1.31	1.38
1.37	1.19¾	Dec.	1.31	1.37	1.29⅝	1.37
1.40⅝	1.33	May	1.34¼	1.40⅝	1.33	1.40⅝
		Rye				
.44⅛	.36¾	Oct.	.40¼	.44⅛	.39⅝	.44⅛
.45½	.38⅛	Dec.	.41¾	.45½	.40⅝	.45½
.49¼	.44⅝	May	.45⅝	.49¼	.44⅝	.49¼

FLOUR MILLERS PROFITS VANISH IN PAST YEAR

(Continued from page 1)

reflect in full the past year's worsening of the flour milling situation. Price competition aggravated it. Comparative figures follow.

Wheat Flour Production and Exports
Years Ended July 31

	1935 bbls.	1934 bbls.
Production	14,119,369	14,954,974
Exports	4,750,310	5,454,636

Experience of individual milling companies in the 1934-35 year, as it will appear in forthcoming reports, is outlined below:

Maple Leaf

Canada's major flour exporter, Maple Leaf Milling Co., will not earn depreciation charges for the fiscal year ended July 31, 1935. Part of depreciation is expected to be shown as earned. This will leave no earnings to pay the 2¾ per cent bond interest due Dec. 1, 1935. While it is still distant, the payment is expected to be made. It amounts to half the normal cash bond interest, the other half being paid in new preferred shares under last year's capital reorganization scheme. Working capital is expected to show a reduction, probably exceeding $100,000.

W. Canada Flour

Western Canada Flour Mills has had a very unsatisfactory year. This is indicated in deferment of the partial dividend on the 6½ per cent preferred shares. The company had been paying at the annual rate of $3 a share, but stopped dividends entirely this year.

Int'l Milling

International Milling Co., which has had much better than average earnings in the industry, had profits of $902,700 available for preferred dividends in the nine months ended May 31, 1935. This is the rate of $1.2 millions for the full year, which would be a reduction of over $200,000 from the 1933-34 earnings. Still, dividends on preferred and common shares will be well covered. Part of the stable earnings have come from storage of hedged grain. Policies of the Ottawa grain board may affect profits from this source. However, the company's milling operations are half in the U.S.A., which gives a diversity not enjoyed by other major companies operating in Canada.

Lake of Woods

Lake of the Woods Milling Co. is not expected to make as good a showing for 1934-35 as for the preceding year. Last year, nearly $27 a share was earned on the preferred stock, but no dividends are being paid while working capital is being bolstered. The company received about $14,000 in dividends from Inter City Baking Co., but this will only help income to a minor degree. The "Five Roses" brand has been a big asset, but could not offset entirely price competition in the domestic market.

Ogilvie Flour

As usual, results of Ogilvie Flour Mills remain something of a mystery. It is believed that milling operations were less satisfactory than in the relatively poor 1933-34 year. This and the large investment earnings will have to be shown separately under the new Dominion Companies Act for the first time. Investment income has been aided by receipt of 60 cents a share in dividends from holdings in Consolidated Bakeries. In 1933-34 only 25 cents a share was received from this source by Ogilvie. Any improvement on the 1933-34 earnings of $8.09 a share on the common will be of minor character. There is a likelihood of earnings being under those of last year.

St. Lawrence Flour

St. Lawrence Flour Mills has not had as good a year as in 1933-34. For that year earnings amounted to $15.75 a share on the preferred and $4.19 a share on the common stock. While the increased dividend rate of $2 a share on the common has been maintained it may not be shown as fully earned. The comparatively low price of the shares reflects the adverse effects of the influences bearing on the milling trade.

Wheat Prices

(Cash Quotations)

	Aver. for week Sept. 6 $	Previous week $
At Winnipeg:		
No. 1 Man. Hard	0.855	0.842
No. 1 Northern	0.848	0.840
No. 2 Northern	0.819	0.811
No. 3 Northern	....	....
No. 4 Northern	0.780	0.704
No. 5 Wheat	0.639	0.629
No. 6 Wheat	0.629	0.609
Feed Wheat	0.452	0.455
At Vancouver:		
No. 1 Northern	0.830	0.808
At Toronto:		
Milling Wheat*	0.64	0.58
Competitive Export Prices: (August) shipment:	High Week to Sept. 14 $	Low Week to Sept. 14 $
No. 1 North. (Vanc.)	unquoted	
No. 2 North. (Atlan.)	1.02⅛	1.00⅛
No. 2 North. (Vanc.)	unquoted	
Argentine Rosafe	0.89⅛	0.84⅝
Do., Barusso	0.87⅛	0.82
Australian	....	....
West Australian	0.91⅜	0.87⅜
French	unquoted	
Russian	0.91⅜	0.85⅜

*New crop.

Farm Factors

Agricultural Trends Affecting Business and Finance

Higher Cattle Prices

EXTENSIVE exports of Canadian cattle to the United States plus increased slaughtering by domestic abattoirs this summer have reduced the immediate supply of butcher cattle in western Canada to one of the lowest points in years. As a result higher prices this fall and early winter are anticipated.

Encouraged by the much better values which have prevailed since last winter and provided with abundant stocks of forage, farmers in all sections of Canada are preparing to feed a larger number of cattle this winter.

• • •

Control With a Vengeance

WHAT appears to be crop control gone wild is indicated from the potato plan evolved by Washington under the Agricultural Adjustment Act. Under this the Secretary of Agriculture will decree each spring how many bushels of potatoes shall be raised in the United States. Each state will be given a quota which in turn will be divided among the various districts making up that state and finally among the individual farmers. In every case, the quota will be based on what was raised in the past. If farmers have produced no potatoes for sale in recent years, no quotas will be available. In other words, production is to be definitely confined to those districts which produced potatoes in the past and no further development is contemplated.

Stringent laws have been devised to carry out this control. Even the housewife who grows a few spuds in her backyard may come under the scheme. Whether the potatoes are grown for household use does not matter. Under one section of the bill, this woman may be punished by a fine of $1,000 or may be sent to penitentiary for one year.

• • •

Laws Have Teeth

IN PRACTICE, the farmer is forbidden to engage in the production of potatoes unless he has first obtained a quota. Teeth in the law are provided through a punitive tax of 45 cents a bushel on all potatoes raised outside the quota. As this tax would equal if not exceed in most cases the country price for the crop the levy is practically prohibitive. Every bushel sold must bear a government stamp and in a package approved by the government. To sell in a different package or to sell without a stamp is branded as a punishable crime. It is even a crime under the act, so investigators interpret, to buy or offer to buy.

The minority report, which accompanied the bill sarcastically states, "when your friend, the home gardener, comes to your kitchen door next year with a basket of new potatoes, he has raised, you should set the bull dog on him and drive him off the premises because you must not even offer to buy his potatoes." Naturally it is expected that there will be extensive bootlegging in potatoes and the situation is expected to prove small indeed in comparison to the bootlegging of the same articles which developed when a potato marketing scheme was attempted in eastern Canada last winter.

More Revenue For B. C.

Government revenues from the timber industry in British Columbia during the first six months of this year in licenses, leases, sales and royalties totalled $998,084, compared with $923,586 for the same period last year. It is estimated that the industry will pay $2,395,000 in taxes during the fiscal year ended March 31, 1936.

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News of Canadian Mining Investments

The Week in Mining

Short Air Hauls

A RATHER startling evidence of the advance of aerial freighting as it affects northern mines is seen in the announcement from Tashota Goldfields, Ltd., that it has let a contract for the transport of some 260 tons of supplies and equipment to its property by Wings, Ltd., one of the newer aerial transportation companies. Such a contract is in itself not notable among the young mines of northwestern Ontario. What is unusual, however, is the fact that the Tashota Gold prospect has long been thought rather well situated with respect to freight, being only 12 miles from the main line of the Canadian National Railways. When air operators can step in and get freight contracts for such short hauls as this the circumstance becomes a matter for comment.

* * *

Inco Advances

WITH war between Italy and Ethiopia appearing almost certain and copper prices rising, heavy buying of International Nickel common developed this week, sending the stock to over the $31 mark, the highest level reached in over five years.

At this price the market is discounting the future. The current dividend rate is 80 cents per annum, having been increased from 60 cents per annum with the declaration announced early in August, which is payable Sept. 30. In 1934, profits were equivalent to $1.13 on the common shares.

During the current year earnings have shown improvement over last year and prospects for a further increase are bright with copper prices rising and exports of nickel mounting. While the increased demand for nickel and copper is in part due to greater industrial activity, purchases for military purposes have also been a factor.

* * *

Power For Patricia

ANOTHER important stage in the development of Ontario's Patricia area has been reached with the announcement that the Ontario Hydro Commission plans to double the power output at the new Rat Rapids Plant.

There are about eight companies in the district now operating under Diesel or steam power at unnecessarily high overhead. At least two of these companies, Hudson-Patricia and J. M. Consolidated are planning augmented production. To obtain power at $30 per h.p. or thereabout will mean much to the development of this district, and incidentally, would bring added revenue to N.E.P.C.

It has been estimated that operations in the district will require not less than 5,000 h.p. within the next few months, and that about one half of this could be taken up immediately. At $30 per h.p., this would mean an additional revenue of between $75,000 and $150,000 per year to the commission, and would aid the Ontario mining industry by a material degree.

* * *

Watches For Care

THE Hudson Bay Mining & Smelting Co., whose efficient operations on the huge metal deposits at Flin Flon, in Northern Manitoba are a by-word in Canadian mining, have instituted a new phase in the accident prevention drive. Sixteen of the company's employees are being presented with gold watches for careful work. These men were members of the crew which sank the No. 3 shaft from the 390 to the 2,200-ft. level, without accident of any kind. The presentation is being made at Flin Flon.

* * *

Market Tone Improves

WHILE the mining market continues unsettled, the tone of the market is improved despite a drop in volume of trading. During recent sessions moderate gains have scattered themselves across the board. The reduction in volume of trading is attributed to the switching of interest to "war babies" on both the Toronto and New York industrial boards.

God's Lake has been the leader among the junior golds. With the announcement that the mill was in production and that the vein had been cut on the third level this company's stock jumped 18 cents in one session. Trading in Macassa has also been heavy.

While the base metals have been strong advances have been narrow. Rising prices of copper and zinc and increased war talk have only had a moderate effect on the market.

Action in the senior golds has been irregular. Silvers have been weak, prices declining under the influence of lower prices for bar silver.

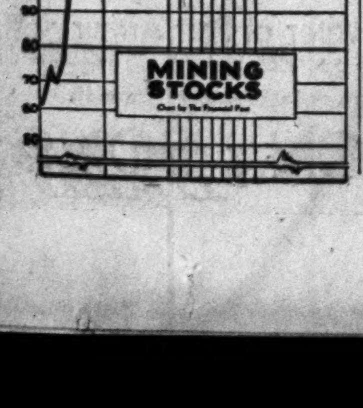
* * *

Index of Mining Stocks

AGAIN of 2.7 points was recorded for the week of Sept. 12, when the general mining stock price index was 117.6, as compared with 114.9 for the week of September 5. For the comparative week of 1934 the index was 139.3.

Led by the senior golds an appreciable rally was witnessed in this section. The index rose from 104.8 for the week ending September 5 to 108.3 for the week ending September 12. For the week ending September 13, 1934, the index was 136.9.

With the exception of Hudson Bay, base metals were slightly lower, resulting in the index declining from 157.2 for the week of September 5 to 156.6 for the week of September 12. The index for the same period of 1934 was 154.7.



DEEPEN SHAFTS AT BEAVERLODGE VALUES SECRET

Shipping From Railhead Presenting Unexpected Problems

From Our Own Correspondent

REGINA, Sask.—Further details regarding Consolidated Mining and Smelters operations in the Athabaska goldfield reveals that work on the two shafts of the company shows a depth of 100 ft. in No. one and 50 ft. in No. two. Information regarding values expected to be uncovered when drift work commences is still secret and no employee of the mine will talk.

Other companies, preparing for a winter's work include Murmac Athabaska, Sterling Collieries, Mineral Belt Locaters and Northwest Minerals, all of whom have drilling programmes contracted. Mineral Belt Locaters which are the Errington interests, plan to develop pitchblende deposits and will proceed with trenching. Copper and other minerals are reported on these claims.

At present there are three assay plants on the ground and a fourth owned by the Athabaska-Portal company is now being constructed.

Transportation from the end of steel at Waterways has turned out to be somewhat of a problem for the companies in the field. There are at present two river boats and two lake boats in operation which necessitates transference of cargoes

Producers in B.C. Show Output Up In August Reports

From Our Own Correspondent

VANCOUVER.—Five of the big British Columbia gold producing mines have announced production figures for the month of August.

Pioneer produced gold valued at $271,000. Expenses before depreciation, depletion and taxes totalled $65,000, leaving net income for the month amounting to $206,000. This compares with gross production value of $270,000 in July and net of $205,000.

Bralorne made no announcement as to value of output, but production figures were 4,030 ounces gold from 13,357 tons milled against 3,844 ounces from 11,929 tons in July.

Reno production was $58,000 compared with $45,835 in July.

Meridian established a new record with an output of 160 tons of concentrating containing 827.83 ounces gold.

Values in gold, silver and lead totalling $35,000 were reported by Ymir Consolidated for the first full month of operation.

Sorting the Mines, 3.

An Impartial Analysis of Listed Stocks from A to Z

Arno Mines

Incorporated in 1927, Arno Mines is a holding and exploration company, at present inactive. At various times the company has held interests in properties in many of the prominent mining fields throughout the Dominion, but in no case has development been carried beyond the prospect stage.

Until 1930, when work was suspended, interest in the company centred about its 90 per cent interest in the Coxheath copper property in Cape Breton county, Nova Scotia. A fair tonnage of ore was reported to have been in sight when work was suspended due to declining copper prices.

Subsequently the company acquired and dropped options on a number of properties in Quebec, Ontario and Manitoba. At one time the company had an option on the property which has been brought into successful production by McWatters Gold Mines. From results obtained Arno did not consider the property worthy of development.

In 1932, the company acquired an interest in four groups of claims in the Great Bear Lake area, Northwest territories, through its control of North of Sixty Syndicate. Over $11,000 was expended on exploration work on these properties.

Following the re-staking of the McWatters property in 1932 and the discovery of high grade ore on the claims, Arno Mines staked adjacent territory. In April of this year the company optioned this property to Lake Maron Gold Mines which carried out some development work before dropping its option last month.

The history of the company has been marked by numerous reorganizations. It was originally capitalized at 3,000,000 shares, par value $1 each. Early in 1929 the capitalization was increased to 5 million shares of no par value. In February, 1932, the capitalization was further increased to 6 million shares. A year later it was decided to reduce the capital to 2.5 million shares. shareholders receiving one new share for each five shares previously held.

At the end of 1934 the company had 600,000 shares in the treasury and $2,000 in cash, with no liabilities.

Directors are as follows: Charles McD. Logan, president, Renfrew, Ont.; W. J. Grace, A. McDougall, Ottawa; Wm. Muir and J. J. Vogan.

Price Range of Stock

	High	Low	Last
Common	$0.04 March	$0.01½ Jan.	$0.01½ Sept. 14
	1934		
Common	$0.20 Feb.	$0.01½ Nov.	$0.01½ Dec. 31

Ashley Gold

Ashley Gold Mining Corporation has had bad mining luck.

Rapid depletion of ore reserves at this company's property in the Matachewan area indicates that this company's life as a gold producer will not extend throughout 1936. At the present time an examination of the property is being conducted by Dr. W. F. James, consulting engineer, on behalf of the Mining Corporation of Canada, which controls the company. The purpose of his investigation is to determine whether further development and exploration are justified or whether it would be a waste of money.

Ashley pioneered the revival of interest in the Matachewan area, after a decade of quiescence, when it was brought into production in September, 1932. The company began its career with promising ore showings, but these later proved disappointing. Ore grade has shown a gradual reduction.

In addition a system of faulting was encountered which seriously displayed the ore and made mining and development expensive. The main orebody was faulted twice. The first fault threw the ore to the west while the second fault cut it off at 625 ft. All efforts to find the ore again have been unavailing, although an extensive search has been conducted.

At the current rate of depletion, ore reserves will not be very large at the end of the year. In spite of energetic development and exploration work, ore reserves were reduced during the first half of 1935 from 31,000 tons to 21,000 tons. It may be possible, however, for Ashley to carry on for a longer period than ore reserves indicate. In clearing out a mine, patches of ore of mineable grade are usually found beyond the ore dimensions.

High mining and development costs due to the faults encountered reduced profits far below expectations. While an operating profit of $60,429 was earned in 1934 and $64,897 in 1933 a net loss was shown after all charges in both years. Mining and milling costs in 1934 were equivalent to $7.25 per ton of ore milled. Development costs amounted to $1.44 per ton and the write-off of previous development work to $1.66 per ton. Operating profit during the first half of the current year amounted to $29,000.

The grade of ore treated in 1934 showed a sharp drop from the grade milled during the first fifteen months of production activities. In 1934 the average recovery was $6.28 per ton as compared with $9.27 in 1933 gold taken at $20.67 an ounce.

The balance sheet as at Dec. 31 last showed a fairly strong working capital position, current assets exceeding current liabilities by $130,000. Cash on hand amounted to $69,000 and bullion in transit to $36,000.

The entire authorized capitalization of 3,000,000 shares, par $1 each has been issued. Mining Corporation of Canada, which financed development of the property, holds 1,591,798 shares.

Price Range of Stock

Year	High	Low
1932	$0.75	$0.65
1933	1.36	0.74
1934	1.25	0.15
1935	0.32	0.06½

Astoria Rouyn Mines

During its nine years of activity Astoria Rouyn Mines has examined, and explored a great many properties but to date has failed to develop a winner.

During the early days of its history, up until 1930, the company was one of the most active operators in northwestern Quebec where it carried out development on a number of properties. In 1928, the company held seven groups of claims in various parts of northwestern Quebec and had an option on a property in the Boston Creek area of Ontario. All except two of these have been dropped.

From 1930 to 1933 little work was done by the company, operations being handicapped by the lack of funds. In that year, however, interest in the company revived as a result of the higher price for gold.

At the present time the company's principal holding is a copper-gold prospect, comprising 310 acres in Rouyn township, adjoining Granada Gold Mines. While considerable surface work and diamond drilling have been completed the property is still in the raw prospect stage. To date it has failed to give any particular promise of becoming a major mine. A shaft is down to a depth of 58 ft.

Exploration by a series of short diamond drill holes was carried out during 1934 and 1935. It is planned to sink deep holes to cut the vein matter at lower horizons. Considerable trenching and test-pitting have been completed.

In Louvicourt twp., Quebec, the company owns 400 acres. While this property is not being actively developed it is in good standing.

In order to raise additional finances the company granted an option on June 8 of this year on 1,000,000 treasury shares, to be taken up in 10 blocks of 100,000 shares at prices ranging from five to 14 cents inclusive. The blocks of 100,000 shares were to be taken up every 30 days beginning August 7. Late in August, the company reported to the Toronto Stock Exchange that the option was in default and that an extension had been granted until early in September. No announcement has been made whether the first block has been taken up or not.

The company enjoys a strong treasury position. As at June 15 last, current assets totalled $41,000. The company has no current liabilities.

Of an authorized capitalization of 5,000,000 shares, par $1 each, 3,000,009 shares are outstanding.

Officers and directors are as follows: J. E. Tanguay, president, Quebec City; Hon. George Parent, vice-president, Quebec; Dr. Rodolphe Chevrier, secretary-treasurer, Ottawa; Gordon P. O'Reilly, Ottawa; H. E. Price, Quebec; Douglas Mutch, Haileybury, consulting engineer.

The company's stock was listed on the mining section of the Toronto Stock Exchange in June, 1934.

Price Range of Stock

	High	Low	Last
	1935		
Common	$0.08 March	$0.02½ Jan.	$0.03½ Sept. 16
	1934		
Common	$0.10 July	$0.02 Dec.	$0.02½ Dec. 29

Black Man's Gold

Canadian Engineer Reveals Colorful Facts on the New Gold Fields of Kenya, in Equatorial Africa

When, with a squiggle of his pen, President Franklin Roosevelt in Washington, U.S.A., fixed the world price of gold at $35 per ounce, Kenya, of all places, was very pleased.

Because for two years, Kenya had been growingly conscious of its possibilities as a gold producer. Now, four years after gold was first found there, the mining world is becoming growingly conscious of Kenya.

A few weeks ago there returned to Canada a mining engineer who had transplanted himself from northern Canada to tropical Kenya, British colony on the east coast of Central Africa. The fact that this man, I. M. Marshall, had had extensive experience in Canadian mining fields makes his experience in Kenya of particular interest. During the course of a lunch time conversation, The Financial Post learned much which should be of interest to Canada's mine-minded, especially in view of the fact that Canadian capital, believe it or not, is already represented in this area.

When John Taylor & Co., old established British mining concern, wanted a man to inspect some mining properties in Kenya, they picked on Irvine Meredith Marshall, then practicing privately as a consulting geologist in Vancouver.

Mr. Marshall flew from London to Kenya, taking about five days to make the trip via Greece. After a year's study in this country, where the tom-tom still sounds at night, he is optimistic as to its future as a gold area, and would probably be there yet had not Mussolini's sabre rattling made the raising of capital for mining in Africa rather uncertain.

Canadian Capital Interested?

Kenya, as a gold producer, does not as yet rank very high in the mining world. But then, neither did Canada four years after gold was first found here.

At the present time, however, there are already about a score of major British companies actively in the field. It is known that W. P. Alderson, of the well-known Canadian firm of Alderson & MacKay, Inc., is, or was in the field very recently. Alderson & MacKay is a private enterprise with widespread holdings in Canada, and it is not known at the time of writing how extensive their interest in the Kenya field is.

Gold was first found in Kenya in 1931. Prior to this time its existence was unthought of. Its discovery must be attributed to an inquisitive Britisher, who panned the gravel from one of the streams in genuine Cariboo style. The news of this strike caused considerable excitement, and in the following year, a geological survey of the area was made by Sir Albert E. Kitson. His report was favorable and British capital was forthcoming in large amounts.

Why British capital should so readily be available for a little known prospect like Kenya, and yet so coy when it comes to entering an established producer like Canada has been the subject of many an article. Mr. Marshall, from contacts made in the old land, is of the opinion that the reason lies in the widespread belief in England that once one is bitten, one must be twice shy.

The most recent, and perhaps the most significant gold discoveries in Kenya have been made in a small area about 30 miles long and 14 miles wide, a total of 420 square miles. It is known as the Ka Ka mega field, in the Kavirondo district of Kenya. Comparatively recently, geologically speaking, the whole area, through some mighty heaving of the earth's crust was thrust up to form a plateau, one mile above sea level. The climate is one of eternal summer, with a comparatively heavy rainfall, 70 to 80 inches per annum, most of which occurs between March and November.

Until quite recently, most of the gold was recovered by panning or by crudely constructed hand rockers. Sometimes the weathered portion of the reefs, so called, are crushed by hand pestle and mortar.

Laughable, But Efficient

With the Briton's genius for adapting himself to any circumstances, pioneer miners in the area have resorted to crushing methods which are almost laughable—almost laughable but, in many cases, surprisingly efficient. The Kenya native loves nothing better than to be given the job of pounding rock with a pestle of some kind, a job which calls for the minimum of mental effort and provides maximum scope for singing his rythmical songs.

Latterly these methods have yielded to the small crushing and amalgamating plants, often homemade arrangements, capable of putting through only two to ten tons per day.

Rock pre-Cambrian

Canada has no monopoly on pre-Cambrian rock, in which lie so many of her minerals. Every year, this, the oldest rock in the world, is found in some new and unexpected section of the globe. It is not surprising therefore to learn that the predominating rock in Kenya is pre-Cambrian. Over most of the gold-bearing district, the ore is residual to a depth of about 200 feet. Only the surface of the district has been scratched as yet, the deepest shaft in Kenya being, at the time of Mr. Marshall's visit, only 285 feet down.

"What are the depth possibilities of mining in this district?" The Post asked.

"I would say that, from veins I saw, the possibility of deep mining in Kenya are exceptionally good," was the reply. Some of the veins being worked at the present time are quite narrow, Mr. Marshall explained, but rich. One of the veins being exploited was no thicker than a man's hand. They were of almost text-book perfection in most cases, and Mr. Marshall saw no reason to believe they would not extend to considerable depths, due reservations being made for the fickleness of geological formations.

At the present time the most extensive and promising ore body is known as Government Reef, and is being worked by several companies.

Climate No Drawback

Despite the fact that it is tropical, being only a few minutes, geographically speaking, from the equator, Mr. Marshall does not feel that the climate will be any particular drawback to growth of a mining industry. The surface temperature of the rock, being much higher than in most gold mining countries of importance, may cause a problem if really deep mining is undertaken, but the success which is apparently meeting the efforts of the Robinson Deep mine, on the Rand, to combat deep temperatures by surface cooling plants, may successfully cope with this problem.

The rubber, coffee, and other primary industries which have for long been Kenya's mainstay, have opened up the country, and some of the photographs which this Canadian engineer has brought back with him show smooth, wide, asphalt highways. The airplane, although used on occasion, for example, on Mr. Marshall's visit, is not employed as extensively as it might be, or as it is in Canada.

One of the major advantages in this district is the low labor cost, the natives being more than eager to work for the white man at sixpence per day. The attitude of the native toward the mining industry is one of tolerant amusement. Gold means absolutely nothing to him. Students of Canadian mining history will recall that it was the gold and copper ornaments of the Indians which gave the first clue to Canada's mineral deposits. The explorer in Kenya had no such lead. No gold or mineral decorations are worn by the native Kenyan. Thus his complete failure to understand the white man's eagerness for the metal.

"It is wrong to suppose that the native looks on the white man as on a god," Mr. Marshall explained. "He credits the white man with having in his possession certain magical tricks, such as the match. But give a native a box of matches, and show him how to make fire by striking them, and that native will consider himself every bit the equal, if not the superior, of the fool white, who works so hard to collect the silly yellow metal and allows his women to spend their days in comparative idleness, To him, the airplane is no whit more marvellous than the match."

Because of this cheap labor, many a retired army major is making a nice income for himself working a property with crude equipment, and the help of half a dozen native boys. One reason why capital has not entered the area more generously is because of this fact. The owner of a property, who, with the minimum of effort, is making for himself an income of five, ten or even 15 thousand dollars per year, sets a price on his property far in excess of what its stage of development warrants.

Arabs Get Slaves, Miss Gold

Because of the failure of the native to utilize the gold for ornaments, many generations of peoples have passed through Kenya and not dreamed of the gold that is in her gravels. The ancient slave route of the Arabs passed right through the colony, and despite the shrewd greed of these peoples, the gold remained undiscovered. In one place, this ancient route crosses right over a creek from which, in the last year or so, over £30,000 has been taken, from a small patch of the creek bed.

As to taxation, the problems of the Kenyan miner must seem amusing to the Canadian miner, or to the miner on the Rand, where a complicated system of taxation is in force. The Kenya gold, all of which is shipped by airplane to London for refining, is subject only to a straight five per cent tax on gross output.

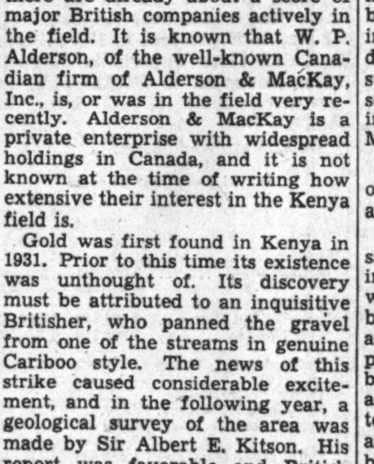
Mr. Marshall is, from a geological standpoint, optimistic of the future. The immediate outlook, however, is closely allied to the trouble in Ethiopia, and Il Duce's eagerness for new colonies. From his contacts in Europe and elsewhere, including Italy, Mr. Marshall is convinced that Mussolini will penetrate, or attempt to penetrate Ethiopia. The effect of such aggression on the mysterious heart of the black man, no matter in which part of the world he may be, can only be conjectured.

Almost nightly, in Kenya, the age-old drums of the native beat out their strange rhythm. What they are saying, the white man doesn't know, and the dark man isn't telling.

From Snow Zones To Tropical Africa

Irvine Meredith Marshall, whose experiences in the new goldfields of Kenya are described in the accompanying article, is a native of Canada, graduating from Queen's university with a B.Sc. in 1917. In 1920 he became field assistant to Prof. S. J. Schofield, of the Geological Survey of Canada. Later he spent a number of years with prominent United States mining concerns, and was, from 1924 to 1928, professor of Mining Engineering at the University of Illinois. In 1928 he became superintendent at Central Manitoba Mines, a post which he filled until 1933. In that year he was appointed general superintendent at Reno Gold Mines near Nelson, B.C. It was while earning an enviable reputation as a consulting engineer in private practice, that John Taylor & Co., veteran British mining organization, asked him to inspect properties in Kenya.

Views of Kenya Mining



I. M. Marshall, Canadian engineer, whose experiences in the new gold fields of Kenya are described in the accompanying article, took, among many others, the above snaps of mining operations in this black man's country. In (1) are typical native boys, whose amused tolerance for the white man's eagerness for gold, and willingness to work for about sixpence a day, make him an interesting, if at times difficult, employee. Right, above, is shown the Jitsama shaft of Risk's Ltd., a typical view of Kenyan mining operations. Below is another typical operation.

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ALBERTA OIL MEN LIKE INITIAL MOVE OF NEW MINISTER

Feel Removal of Acreage Limit Will Spur Exploration

From Our Own Correspondent

CALGARY. — In the person of Hon. C. C. Ross, minister of lands and mines in the Social Credit government, the oil industry has a minister thoroughly conversant with problems of oil operators in Alberta. The appointment was lauded in congratulatory telegrams and letters by oil men not only in Alberta but in British Columbia and Manitoba.

Premier Aberhart stepped outside party circles to appoint Mr. Ross as mines manager. Mr. Ross was not a candidate in the last provincial election and took no part in the Social Credit campaign. It was thought that O. G. Devenish, unsuccessful Social Credit candidate for Calgary, a prominent worker in the Social Credit cause, and an oil operator, would be appointed minister of mines but the new premier sprang a surprise on oil men.

Wastes no Time

The new minister is eminently qualified for the position. Before the transfer of the natural resources of Alberta to the province by the Dominion Government, Mr. Ross was in charge of the enforcement of Dominion Government policies with respect to the oil industry and won approval and respect of oil men by his handling of difficult problems.

One of Hon. Mr. Ross's first actions as mines minister was to make it easier for individuals and small oil companies to acquire oil leases in the province. Henceforth as small an acreage as 40 acres may be filed upon by persons hopeful that oil may be struck on the lease which they acquired. The U.F.A. government insisted upon a 160 acre minimum lease. Oil operators have expressed the view that this one action of Mr. Ross may precipitate more extensive wild-catting in the province.

Mr. Ross's second step was to ask for the resignation of William Calder, director of the petroleum and natural gas division of the department of lands and mines. His successor has not been appointed. Mr. Calder was associated with Mr. Ross in the administration of Alberta oil fields when the natural resources were held by the Dominion Government.

Activity in Field

Three wells hold the spotlight in Turner Valley as nearest to naphtha production. They are British Dominion, Renfrew Royalty and Union Freehold, all in the south end of the field. British Dominion is drilling in the limestone at about 200 ft. in that formation. The present flow is about 4,000,000 cubic ft. of gas daily. Final production is anticipated in another hundred ft. The Renfrew Royalty well has passed through the Dalhousie formation and is approaching the limestone. After many weary months spent in fishing operations, hopes of recovering lost drill rods in the limestone at the Union Freehold well have been given up. A whipstock has been installed and sidetracking commenced. This well got into difficulties at the top of the limestone—the naphtha producing horizon in Turner Valley.

Clinch Petroleums, Ltd., a Vancouver concern headed by Lloyd Clinch of that city, has acquired 3,000 acres in oil leases on the South Twin River structure in South Alberta as well as about 200 acres on the Del Bonita field in the extreme south of the province. Plans have been made for the drilling of a well immediately on the South Twin River structure while another well may be spudded at Del Bonita.

Current Chatter from Manitoba

From Our Own Correspondent

WINNIPEG, Man.—Production of Central Manitoba Mines in August was up sharply from the previous month, an official statement by William Hurst, president, shows. Production for the month had a value of $38,000 as compared with $24,700 in July. This is the highest output in any month of the current year to date.

Improvement in August production is due to the opening up of a new ore shoot in the Hope section of the property and a smaller shoot in the Kitchener section. No announcement has been made by the company as to how much ore is available. There is no intention, however, of closing the mine down in the immediate future. Additional supplies are to be shipped in on October 1. In the spring only supplies for a limited period were shipped in since it was evident that the mine would have to be closed down unless additional ore was found.

* * *

Gabrielle Annual Meeting

The annual meeting of Gabrielle Mines, called for Sept. 10, was adjourned until Oct. 10. The mine is virtually closed down, development work having been suspended. The management is believed to have sale of the property and refinancing offers under consideration. San Antonio is being prominently mentioned in this regard.

* * *

Prospectors Meet

The Manitoba Prospectors' Association at a recent meeting instructed the executive of the association to recommend to the provincial government that the Manitoba mining act be amended so as to give full surface rights on a mineral claim to the owner. Disapproval was also registered of the 21-year lease system. The government is to be requested to restore the Crown grants system. Under the latter method, title to the claims is granted after the necessary development and survey work has been completed.

Hollinger's Entry Arouses Interest in Horwood Lake

From Our Own Correspondent

SUDBURY. — The Financial Post learns from authentic sources that a deal has just been completed whereby Hollinger Consolidated Gold Mines will take over and continue the exploration and development of mining claims in the Horwood Lake district, near Tionaga, about 130 miles northwest of Sudbury, on the Canadian National Railways.

The claims discovered consist of two groups, about 50 in number, owned by W. E. Smith and G. A. Thorne. The groups are contiguous and were diamond-drilled by the owners in the early months of 1935.

To Start Oct. 1

It is expected that Hollinger will undertake a programme of exploration on the claims by Oct. 1.

The Horwood Lake area is one of the few left in unsurveyed territory in central Northern Ontario. It is situated west of Hardiman township, north of Newton and Dale and south of the township of Keith. It is easily accessible from Groundhog River station and from Tionaga on the C.N.R.

Alberta Coal Output

July coal output in Alberta amounted to 181,664 tons of bituminous; 21,699 tons of sub-bituminous and 47,336 tons of lignite. In the same month last year the figures were: bituminous 181,841 tons; sub-bituminous 22,553 tons and lignite 43,728 tons.

B. C. Rivals Maritime Fuel Output

Figures recently released by the Mines Department of British Columbia reveal that the Pacific province was, in 1934 only slightly behind the Maritimes in the value of its gas and coke output, which was valued at $2,228,386. The Maritime output was valued at $2,388,440.

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What's Behind Copper ~

Sharp Rise in Price Fraught with Interest to Canadian Producers and Investors

Copper prices climbed higher this week under the stimulus of increased demand due to improved industrial activity and to military needs. The price of domestic copper in New York was raised to nine cents a pound from 8.5 cents. The price of export copper advanced to 8.55 cents a pound from 8.42 cents. The London price of the metal stands at £34, 16s, 6d per ton for standard copper and £38 for electrolytic copper, at time of writing.

In market circles the higher prices are attributed to an increase in consumption mainly in Great Britain, Japan, Italy and Sweden. While it is definitely known that industrial consumption is on the upgrade, part of the increase has also been due to purchases for military purposes.

World Stocks Lower

There has also been an improvement in the statistical position. Surplus copper stocks are declining. In July world stocks of refined copper were reduced by 10,300 tons and in August by 19,800 tons, bringing stocks of copper to 549,800 tons. This is about four months' supply at the present rate of consumption.

In the current improvement in the world copper situation is seen the first effect of the production curtailment agreement signed by the large producers outside of United States and Canada in March of this year. Under the terms of the agreement there was to be a curtailment of 240,000 tons of copper per year from current production to be effective from June 1. It was estimated that world copper stocks would thus be reduced by about 20,000 tons per month. Figures for the month of August confirm this. A continuation of the reduction is looked for in the current and subsequent months.

Canadian Output Higher

While world producers have curtailed output and copper stocks are declining, Canadian production of copper is mounting. At the present time copper production in Canada is at the highest level in the history of the Dominion. In the first six months copper output totalled 214.7 million pounds, a record for a six-month period. Indications are that the record of 364.7 million pounds established in 1934 will be surpassed in the current year.

Copper production in Canada is a by-product process, and in this lies the explanation of the higher output at a time when world producers are curtailing operations. The four largest producers in Canada are the International Nickel Co., Noranda Mines, Hudson Bay Mining and Smelting and Howe Sound Co., and in each case copper is produced in association with other metals.

Nickel and Noranda

International Nickel Co., the largest producer of copper in Canada, is primarily a nickel enterprise, but produces two pounds of copper for every pound of nickel. Demand for nickel has reached record proportions and in order to meet this demand it has been necessary to increase the company's copper production along with that of nickel. In 1934 the production of nickel reached the highest level in the history of the company and during the first half of 1935 a further increase was recorded.

During the current year Noranda Mines has found it necessary to further increase its copper production in ore to maintain its gold output. The ore currently being mined has a higher copper content than a year ago.

Higher Revenue Indicated

These two companies stand to reap large gains from the recent rise in the price of copper, if it is sustained, and profits in the last half of the year should show improvement over the first half of the year. It is difficult to estimate, however, the extent of this improvement for copper sales are usually made several months in advance. As a result it will not be until late in the year that they will benefit from the recent appreciation.

On the basis of a production of 210 million pounds a year a rise of a cent a pound in the price of copper means $2.1 millions in additional revenue to the International Nickel Co. This would increase the amount available for distribution to shareholders by 14.4 cents per share.

Estimating Noranda production at 75 million pounds, which is slightly below the rate achieved in the first six months of 1935 such an increase would mean an increase of $750,000 in revenue. Profits would be 33.5 cents per share higher.

From the above it should not be taken that earnings of these companies from copper production will be substantially higher in the current year. While output has been expanded the average price of copper in Canadian funds during the first six months of the year was almost a cent a pound less than in the corresponding period of 1934, amounting to 7.2 cents per pound as compared with 8.1 cents. In July and August the price was higher than in the same months of last year, amounting to 7.5 cents in the former month and 8 cents in the latter. In July, 1934, the average price was 7.3 cents and in August, 1934, 6.9 cents.

Stock Prices Advance

Spurred on by the higher price of the red metal and by the rising tempo of war talk the share prices of Canadian copper producers have shown appreciation during recent sessions of the mining market. Not only have the stocks of producing mines advanced but also the issues of inactive and potential producers such as Sherritt-Gordon, Waite Amulet, Opemiska and Coast Copper.

In some circles, however, the opinion has been expressed that the optimism which has been engendered by rising copper prices should be tempered by the realization that there cannot be a further sharp rise in the price of copper. The present price level is to some extent an artificial one created by the production curtailment. It does not represent an equilibrium of supply and demand.

Should there be a further sharp rise in the price of copper it is doubtful if the curtailment agreement could be enforced. There would be a tendency on the part of world producers to increase production to reap the benefit of higher prices.

At the present time the potential supply of copper is far in excess of prospective demand. Such large producers as are to be found in Rhodesia, and which have only been developed in recent years, are operating at much below capacity.

Informed opinion believes that it would take much more than a restricted war between Italy and Ethiopia to cause a further substantial rise in the price of copper. Italy has already made large purchases and as far as Ethiopia is concerned it is not expected to be an important purchaser.

BOAST 7 MILLS IN MICHIPICOTEN THREE PRODUCING

L. B. United, Darwin and Soocana to the Front

From Our Own Correspondent

HAWK JUNCTION.—Gold exploration in the Michipicoten field continues at a more vigorous rate than at any time in the long history of this area—the first mining division ever created in Ontario. At the Centennial mine of L. B. United Mines, Ltd., mill buildings are almost completed, and much of the machinery for the new mill is on the ground, with installation to start shortly. A new headframe is being completed in preparation for production operations, and all four shafts on this former Kitchi-Gami property are now connected by drives at the 125 ft. level, providing proper ventilation and ore-handling facilities.

At Darwin Gold Mines, the former Grace mine, high grade ore continues in the raise being run up from the fifth level, the working now have reached a height of 25.5 ft. above the fifth level and free gold showing almost the entire length of the raise, some of the material being regarded the richest cut in the Darwin in the past nine years. Width of quartz at last report was about 30 inches. Meanwhile a new steel headframe is being erected and other preparations made to enter production with the mill already installed, which, with a few additions contemplated, is ready to turn over.

Another proposed entrant in the mill class is Soocana Mining Co., close to the Algoma Central Railway here, where a small mill is already installed, and which the company proposes to put in operation during the coming month.

Michipicoten's mill list now includes Parkhill, Minto, Darwin, Smith, Centennial, Cooper and Soocana, with three of these steadily producing gold and the remainder scheduled to reach that goal within the next few months.

DRILL AT LEBEL ORO REVEALS GOOD VALUES

Downward Extension of Orebody Cut 40 ft. Below First Level

From Our Own Correspondent

SUDBURY.—Downward extension of the ore body at the Long Lake property of Lebel Oro Mines, near Sudbury, has been encountered in diamond drilling operations from the first level.

In putting down holes on the south side, at an angle of about 40 degrees, the vein was entered about 40 ft. below the first level and returned encouraging gold values. Assays of the cores made by W. J. Bell, Haileybury, returned the following figures: $17.15 over a width of six ft., $14.35 over five ft., $13.30 over seven ft., and $11.20 over 7½ ft.

Work of dewatering the old shaft and workings is proceeding and should be completed by the end of the month. Ore possibilities will then be further explored from the second level, at a depth of 300 ft., where the workings under the former sponsors back in 1915 were terminated.

Parkhill Gold Mines—August production from this property is valued at $35,200, bringing the total output for the first eleven months of the fiscal year to 286,872.

MISSOURI'S MILL WAITS FOR SPRING WORK LOOKS GOOD

May Be Bigger Mill For Smelters B. C. Baby

From Our Own Correspondent

VANCOUVER. —Although high officials of Consolidated Mining & Smelting Company are well pleased with progress at Big Missouri and expressed themselves as favorably impressed with development which they witnessed and studied at first hauls as this the circumstance before construction of a mill must await the coming spring.

In the meantime diamond drilling and other development work will proceed to determine the size of the ore zone. There is said to be no doubt that a mill will be built, but considerable data has to be obtained before the company can determine on its size, and G. H. Rainville, president of Big Missouri, says that events of the next month or so may result in a much larger plant being built than has in the past been contemplated.

Engineers expect that within a month the ore body will be fully entered and that within another six weeks information will be available as to values at the lower level. The low level tunnel has already penetrated the large silicified zone in which the ore body was cut on the Province level, 525 ft. above.

Values in Lower Levels

Values have been encountered in the lower workings between 1,100 and 1,200 ft. below the surface showings, and the engineers consider that while the present face is in the main silicified zone the ore body is still further ahead.

S. G. Blaylock, vice-president and general manager headed the party which inspected the Big Missouri and he announced that the company would continue an aggressive development policy. The whole situation at Big Missouri was to be dealt with at a meeting of Smelters officials at Trail.

The larger the tonnage the lower the costs of operation will be at Big Missouri mill, and construction costs will be one-third more if anything is done during the winter months. For these two reasons the company is not in a hurry to rush construction until spring.

At the Mines

Mining Corp. of Canada—J. H. C. Waite has been elected president and a member of the Board, to succeed J. P. Watson who has retired from the board of directors.

* * *

Paymaster Consolidated Mines—Ore reserves have been increased to an estimated 166,400 tons from the 27,161 tons reported in September, 1934, shareholders were told at the recent annual meeting. August production totalled $53,116.

* * *

Premier Gold Mining Co.—produced, during the first six months of 1935 bullion valued at $386,085 from 58,070 tons of ore. Gold produced amounted to 11,031 ounces with an average grade of $6.64.

* * *

Astoria Rouyn Mines—an official of this company informs The Financial Post that a vein, 2 to 6 ft. wide, has been traced on the property, north of Granada Rouyn Gold Mines in Quebec for over 1,000 ft. Samples of quartz-bearing rock on this vein have been assayed, results running from $1.75 to $8 in gold per ton.

* * *

McWatters Gold Mine—has completed the addition to its mill which now has a capacity of 150 tons per day. The augmented mill will run on 100 tons of ore from development and 50 tons of tailings for about six to eight months until the tailings are clear, after which it will handle 100 tons from underground.

* * *

Wayside Consolidated—announces that O. Matthews for nine years mill superintendent at Siscoe Gold Mines has been engaged to take charge of the Wayside mill. The flow sheet at Wayside is understood to be similar to that in use at Siscoe.

Flin Flon Gold Report New Ore

From Our Own Correspondent

REGINA, Sask.—Flin Flon Gold Mining Syndicate at Douglas Lake, Eastern Saskatchewan, southwest of Flin Flon, reports at the end of August 481 ft. of drifting completed on the 125-ft. level, equally both ways from the shaft. In both cases the face is in ore showing consistently good values according to the engineer in charge, O. B. Gwillam.

An ore body not indicated by diamond drilling was exposed and it is of minable width and grade. Exploration work will continue to the end of September, when the shaft will be sunk to 250 ft.

Officials of the company in Winnipeg have advised that financial arrangements have been completed to carry out underground exploration to prove the mine and bring it to production stage.

Bidgood Surface Ore Responds to New Work

Rehabilitated with fresh financing, details of which were described in last week's Financial Post, the hard fighting property of Bidgood Kirkland Gold Mines, in the east Kirkland Lake gold belt is responding fairly well to renewed development, according to Sydney A. Pain, consulting engineer, in charge of work. Mr. Pain reports to Toronto officials that resampling of the vein previously opened up on surface to the west of No. 2 shaft returned assays of $64.80 over six inches, $256.80 over six inches and $16.80 over 26 inches with free gold in evidence.

An air line has been laid over to this trench and the discovery is now being mined with a view to bulk sampling in the mill.

Mr. Pain states that if the vein stands up to this test it will be diamond drilled and underground exploration started.

God's Lake Cuts Ore As Mill Starts Up

In the distinguished presence of Hon. J. S. McDiarmid, Manitoba's Minister of Mines and Natural Resources, R. J. Jowsey, president of God's Lake Gold Mines, and other outstanding mining men, the mill at God's Lake started at full capacity of 150 tons recently.

Timed to a nicety to coincide with this occasion, development work on the third level, suspended while the mill was being built, had been resumed so that the ore was intersected on this level at 425 ft. No details as to values were forthcoming but it is reliably reported that the grade is high, and the ore full drift width. Work is proceeding on the fourth level to intersect this body.

LAKELAND ENTERS BRAMOR DICKER; MILL NOW MOOTED

Pollard Resigns as President — Succeeded by Col. Forbes

Following a shake-up in the directorate, in the course of which F. A. Pollard, the former president, resigned, and Col. George T. Forbes, of Woodstock, Ontario, replaced him as president, Lakeland Gold Ltd. summoned a special general meeting of shareholders to discuss new plans for development of the property.

Under the new arrangement, Bramor Mining (Ontario) Ltd. have agreed to inspect the property and report to the company within 21 days from August 22, date of signing agreement. If, in the opinion of Bramor's engineers, the property warrants, they agree within 60 days from the date of the agreement to install and put into operation a Bramor mill of not less than 30-ton capacity per day, to be increased to 50 tons per day as soon as ore conditions warrant.

In return, Lakeland Gold undertakes to make an allotment of preferred shares of the capital stock of the company to Bramor and to purchase the Bramor mill out of mine production.

Capital Set-up Changed

Readers of The Financial Post will recall that last year Lakeland Gold was reorganized. The present capitalization consists of an authorized $600,000 preferred stock capitalization, par value $1 and common stock to the amount of $1,400,000, par value $1. Of the common stock $1,400,000 is outstanding, 1,000,000 shares having been issued to shareholders of the predecessor company and pooled.

As at January 31, 1935, assets of Lakeland consisted of buildings and equipment valued at $76,186, mine development at $182,139, making a total of $258,325. Current liabilities amounted to $5,000.

Absorption Causes Drop In Cariboo Gold Output

A slight decline is noticeable in the August production figures from Cariboo Gold Quartz Mining Company. From 3,299.4 tons of ore handled, 1,104 fine ounces of gold were recovered.

The 50-ton addition to the mill was put into operation August 20 and the amount of gold absorbed by the additional solution in the circuit is blamed for the decrease in the August brick.

June production amounted to 1,520 ounces and May production amounted to 1,670 ounces. July production was not furnished.

Ore Receipts at Trail Amount to 9,181 Tons

Ore and concentrates received at the Trail smelter of Consolidated Mining and Smelting Co. of Canada for the week ended Sept. 7 totalled 9,181 tons. Of this amount, 8,760 tons came from the company's own mines and 155 tons was in the form of concentrates.

The following is a detailed statement of receipts.

Name of Mine	Tons
Bell	60
Cliff	47
Dayton	4
Dundee	50
Highland Lass	50
No. Seven	47
Rio	8
Jenny Long (concentrates)	8
Kootenay Belle (concentrates)	26
Mammoth (concentrates)	49
Meridian (concentrates)	43
Noble Five (concentrates)	29
	421
Company's mines	8,760
Grand total	9,181

Eight Millions Federal Loans West Provinces

Three loans amounting to $8,329,590 have been authorized by the federal department of finance for Manitoba, Saskatchewan and British Columbia. These loans are tabulated below:

Western Loans

	$
Manitoba	820,294
Saskatchewan	*7,509,296
British Columbia	1,671,000

* Including accrued int. on treasury bills.

The Saskatchewan amount includes renewal of seven loans maturing from Aug. 6, to Sept. 9.

The Manitoba figure consists of seven loans maturing from Oct. 3 to Nov. 22.

Ottawa is accepting four per cent treasury bills as security.

British Columbia advised the Dominion Government that it was unable to meet debentures payable in New York or Canada Oct. 1, these amounting to $1,671,000. It was found impossible to sell a bond issue to meet these maturities and consequently the authority for the loan of this amount to B.C. was granted by order-in-council. The loan will be paid by the Dominion authorities should the province be unable to raise the amount before the time limit expires.

Metal Prices

New York—Sept. 17—
Copper: Electrolytic spot and future, $9.00.
Silver: 65⅝c.
London—Sept. 17—
(Long Ton)—
Copper: Electrolytic spot, £38 5s; future, £39. Standard spot, £34 7s 6d; future, £34 17s 6d.
Tin: Spot, £226 2s 6d; future, £214 7s 6d.
Lead: Spot, £16 7s 6d; future, £16 7s 6d.
Zinc: Spot, £15 6d; future, £15 10s.
Gold: 140s 9½d.
Silver: 29 3/16d.
Canada—Sept. 17—
Gold: $35.20.

Public Utility Earnings

B. C. Power Corp.

	1935	1934
August	$	$
Gross revenue	1,124,925	1,053,934
Oper. expenses	794,631	739,553
Net revenue	330,294	314,381
2 Mos. end. Aug.:		
Gross revenue	2,216,071	2,072,400
Oper. expenses	1,554,870	1,441,806
Net revenue	661,201	630,594

Southern Canada Power

	1935	1934
August	$	$
Gross revenue	172,733	171,299
Oper. expenses	72,088	72,696
Net revenue	98,645	98,603
11 Mos.:		
Gross revenue	1,943,180	1,988,911
Oper. expenses	776,045	738,831
Net revenue	1,167,135	1,250,080

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Mining Reports

Allco Silver Mines

Allco Silver Mines, developing a silver-lead-zinc property in the Revelstoke mining division of British Columbia, reports development expenditure of $16,668 in the period from date of incorporation, Feb. 20, 1924, to May 31, 1935. Of this amount, $10,217 was expended on wages and salaries.

Total receipts for the period amounted to $55,000 while disbursements totalled $54,682. Receipts consisted of $50,000 from the sale of shares and $5,000 from the British Columbia government for road construction.

The balance sheet as at May 31 last shows a deficit in working capital account of $4,231. Current liabilities consist of accounts payable of $882 and notes payable of $4,550.

Of an authorized capitalization of 2,000,000 shares there were 1,203,260 shares outstanding at May 31. In addition, 137,500 shares had been firmly underwritten at eight cents per share and 212,500 shares were under option at prices varying from eight cents to 19½ cents per share. At the date of the report the 137,500 shares had been taken up, netting the company $11,000.

The work of stripping and trenching the veins has continued, with the result that a large amount of high grade ore has been uncovered. Considerable effort has been devoted to road construction. During the winter work was concentrated on two crosscut tunnels on vein No. 1-B. These tunnels were spaced 100 ft. apart and their objective was to cut the vein at depth. This objective was reached late in May, when No. 1 tunnel struck the vein at 152 ft. in mineralized quartz. No. 2 tunnel struck solid metallics in carbonates at 166 ft.

Receipts and Disbursements
Feb. 20, 1934, to May 31, 1935

	$
Receipts:	
Sale of shares	50,001
British Columbia govt.	5,000
	55,001
Disbursements:	
Wages & salaries	23,397
Supplies	1,620
Tractor & horse hire	728
Diesel tractor	3,133
Camp equipment	488
Allco Syndicate	19,266
Interest	197
Boarding house, gen. exps.	5,191
Incorp. expenses	512
Licenses & insurance	150
	54,682
Less accounts payable	882
	53,682
Balance on hand	1,201

Parkhill Gold Mines

Operations of Parkhill Gold Mines on the 10 months ended July 31 last were not as satisfactory as in the previous 10-month period. Net operating revenue was $57,000 lower at $23,608. Net profit amounted to $7,382 as compared with $34,476 in the 10 months ended Sept. 30, 1934.

No provision was made for depreciation during the period while $9,837 was provided in the previous 10 months. Provision for interest on loan from president amounted to $5,707 as compared with $12,017.

Lower recovery and higher mining costs contributed to the reduction in profits. Milling and administration expenses were lower as was the amount expended on shaft sinking.

Working capital at July 31, 1935, amounted to $35,506, being $8,000 lower than at Sept. 30, 1934. Current assets were slightly lower and current liabilities higher, the former amounting to $63,276 and the latter to $27,770 at the end of July.

The balance sheet shows no reduction in the amount of the loan from Sir. Thomas Tait, president. The loan still stands at $102,000. The reserve for interest thereon is increased to $17,724.

Income and Surplus Account
10 Months Ended

	July 31 1935	Sept. 30 1934
	$	$
Bullion production	251,981	271,290
Add: Non-oper. rev.	183	297
Total revenue	252,164	271,587
Less: Mining chgs.	163,172	119,036
Milling	35,669	40,420
Admin. exps.	29,715	31,838
Net oper. rev.	23,608	80,293
Less: Shaft sink., current period	10,519	23,695
Prov. for int. on loan	5,707	12,017
Prov. for deprec.	......	9,837
Prov. for inc. taxes	......	268
Net profit	7,382	34,476
Add: Prev. surp.	*5,127	1,617
Less: Bal. of shaft sink. previous to Nov. 30, 1933	......	30,461
Drift. & cr'cutting	......	......
Surplus forward	12,509	5,632
*Adjusted.		
Earns. per Share	$0.002	$0.012

Working Capital

	July 31 1935	Sept. 30 1934
	$	$
Current assets	63,276	66,313
Current liabilities	27,770	2,479
Working capital	35,506	43,834

Calmont Oils

Substantial improvement in the position of Calmont Oils is shown by the annual report for the year ended May 31 last. During the year directors followed the policy of building up a capital fund through the profitable use of the company's drilling equipment on a cash rental or royalty basis, with the result that the company's liquid position has been materially improved and the company is now receiving revenue from royalties earned.

While current assets are lower than at the end of the previous fiscal year, working capital shows a surplus of $4,140 as compared with a deficit of $13,430 at May 31, 1934. Current liabilities at $9,862 are over $31,000 lower. The reduction is mainly explained by the repayment of a loan made to the company by a director, amounting with interest to $25,649.

In addition to current assets of $14,002 the company has investments carried in the balance sheet at $32,307, which have a market value of $70,564. In 1934, investments were carried at $50,210 while the market value was only $44,225.

In the balance sheet as at May 31, 1934, a mortgage receivable of $18,991 was included in current assets. The rotary drilling rig represented by this item is now the property of the company under foreclosure proceedings.

While no income and surplus account is included in the report the balance sheet shows that operations in the year ended May 31, 1935, resulted in a deficit of $55,666. Of this amount, $50,836 is made up of depreciation written off during the year, and $4,085 is chargeable to loss on sale of equipment.

Contingent liabilities stand at $31,075, being the claim of J. C. Dallas for unpaid salary. Deferred salaries with the exception of this claim have been waived and written off.

Mining Stock Quotations

Week Ending September 16.

Par Val.	Range 1935 High	Range 1935 Low	Company	Sales	Close Sept. 9 (or last)	High for week	Low for week	Close Sept.16
1	.74	.38	Afton	98,623	.75	.77½	.67	.70
No.	.11	.04	Aldermac	5,800	.07½	.07	.07	.07
1	.02½	.01	Alexandria	5,500	.01	.01½	.01½	.01½
No	.57	.40	Algold	......	.40	.....	.....	.....
No	.08½	.02½	Algoma	1,100	.03½	.03½	.03½	.03½
No	4.50	3.70	Anglo-Huronian	293	4.00	4.00	3.80	4.00
No	.04	.01½	Arno	200	.01½	.01½	.01½	.01½
1	.32	.06½	Ashley	12,520	.06½	.09½	.06½	.09
1	.08	.02½	Astoria Rouyn	2,000	.03½	.03½	.03½	.03½
1	.14	.03	Bagamac	21,300	.04½	.04½	.03	.04½
1	.08	.02½	Barry Hollinger	22,800	.05½	.05½	.04½	.05½
1	.94	.23	Base Metals	73,200	.33	.40	.32	.36
1	1.06	.14	B.E.A.R.	228,920	.42	.66	.39½	.63
No	2.16	1.27	Beattie Gold	50	1.53	1.50	1.50	1.50
1	.75	.30	Big Missouri	33,337	.44	.47	.40½	.47
1	.33	.18	Bobjo	31,100	.27	.27	.23	.26
No	12.50	4.30	Bralorne	13,003	4.50	4.60	4.40	4.50
1	.61	.20	Brazil Gold	4,500	.45	.45½	.40	.42
1	.03	.01½	Brett Trethewey	2,000	.02½	.02	.02	.02
50c.	.24	.07	Bridge River Ex.	700	.10	.10	.09	.10
1	.03	.01	Brownlee	6,200	.01½	.01½	.01½	.01½
1	3.50	2.40	Buffalo Ankerite	1,540	2.60	2.75	2.50	2.75
No	.03½	.01	Buffalo Can.	500	.01½	.01½	.01½	.01½
5	38.15	33.00	Bulolo Gold	550	34.00	33.75	32.50	32.50
No	.08	.03	Bunker Hill	4,600	.03	.08	.07	.07
1	.03½	.01	Can. Kirkland	19,000	.01½	.01½	.01½	.01½
No	.75	.54	Can. Malartic	13,625	.63½	.64	.62½	.64
1	1.50	.95	Cariboo Gold	2,450	1.12	1.13	1.06	1.06
1	.05½	.02	Cartier Malartic	......	.02½	.....	.....	.....
1	1.35	.55	Castle Trethewey	19,870	.85	1.04	.98	.99
1	.07½	.02½	Cen. Manitoba	17,500	.04½	.05½	.03½	.05
1	1.83	1.12	Cen. Patricia	37,945	1.75	1.81	1.70	1.78
No	.27	.08	Chibougamau Pros.	73,400	.17½	.19½	.11	.16½
No	.06½	.03	Church M. & Mill	1,500	.04½	.04	.04	.04
No	.05	.02	Clericy	79,975	.04½	.05	.04	.04½
5	3.25	1.50	Coast Copper	40	2.75	2.50	2.35	2.50
1	.08	.01½	Cobalt Contact	8,500	.01½	.02	.01½	.02
No	.15	.02½	Columario	......	.02½	.....	.....	.....
5	3.60	3.20	Coniagas	200	2.50	2.50	2.50	2.50
No	2.60	1.35	Coniaurum	2,376	1.70	1.70	1.65	1.70
25	184.75	125.50	Cons. Smelters	1,322	170.00	174.00	168.50	174.00
No	44.00	34.50	Dome Mines	1,883	38.60	42.00	39.25	41.00
1	.10	.04	Dom. Explorers	1,000	.04½	.06	.06	.06
1	.17½	.06½	Duparquet	103,250	.08	.11	.09	.10½
1	2.93	1.02	Eldorado	34,165	1.32	1.60	1.32	1.50
No	4.52	3.25	Falconbridge	9,176	4.15	4.35	4.05	4.30
1	.04½	.02	Federal	1,000	.02½	.02½	.02½	.02½
No	.16½	.05	Francoeur Gold	1,700	.07½	.08	.07	.07
1	.40	.10	Franklin Gold	168,000	.20½	.20½	.10	.10½
1	.45	.09	Gabrielle	1,400	.18	.20	.20	.20
No	.03½	01	Gilbec	223,500	.01½	.01½	.01	.01½
No	2.24	1.24	God's Lake	59,371	1.63	1.75	1.56	1.74
1	.20	.11	Goldale	1,000	.13	.13	.13	.12
50c.	.46	.25	Gold Belt	500	.26½	.25	.25	.25
10	.19	.10	Goldfield	3,500	.12	.12	.12	.12
1	.15	.04	Goodfish	700	.07½	.08	.08	.08
1	.07	.02	Graham Bosquet	4,500	.03	.04	.03	.03
1	.40	.17	Granada Gold	30,864	.30	.33	.27	.29
No	.12	.05½	Grandora	5,000	.06	.06	.05½	.06
1	.45	.17	Greene Stabell	2,000	.21	.24	.20	.20
1	.05	.02½	Groselle	......	.02½	.....	.....	.....
1	.10	.04½	Grull Wihksne	......	.04½	.....	.....	.....
1	.97	.48	Gunnar Gold	12,450	.68	.70	.68	.69
1	.08½	.02	Halcrow Swayze	......	.02	.....	.....	.....
1	.10	.04	Harker	4,700	.05	.05½	.04½	.04½
5	20.25	12.55	Hollinger	3,720	14.00	14.00	13.50	13.75
1	1.10	.65	Howey Gold	8,350	.68	.70	.66	.68
No	16.00	11.50	Hudson Bay	2,098	15.50	17.25	15.75	17.25
1	15.35	11.95	Inter. Mining	......	12.50	.....	.....	.....
1	6.50	5.00	Do., Pur. Warr.	......	5.00	.....	.....	.....
No	29.25	22.25	Int. Nickel	59,978	29.25	31.00	29.00	30.80
100	130.75	125.00	Do., pref.	......	125.00	.....	.....	.....
1	.20	.11	J. M. Cons. Gold	19,850	.14	.14½	.13	.13½
1	.75	.45	Kerr Lake	......	.50	.....	.....	.....
1	.31	.20	Kirk. Hud. Bay	200	.29	.23	.23	.23
1	.01½	.00½	Kirk. Hunton	......	.00½	.....	.....	.....
1	.62	.33½	Kirkland Lake	12,450	.38½	.39	.37	.39
1	.33½	.12½	Kirk. Townsite	3,200	.14½	.15	.14½	.14½
No	.07	.02½	Lake Maron	10,000	.03	.02½	.02½	.02½
1	58.00	47.25	Lake Shore	3,520	49.75	50.50	49.50	50.40
1	.08	.02½	Lamaque Contact	1,000	.02½	.03½	.03½	.03½
1	.09½	.03	Lebel Oro	378,000	.04	.05	.03½	.04½
1	.08	.02½	Lee Gold	10,000	.03½	.04	.03½	.03½
No	7.25	4.25	Little Long Lac	13,235	5.30	5.55	5.25	5.50
1	2.75	1.31	Macassa	115,195	2.30	2.55	2.25	2.42
1	.03	.00½	Malrobic	5,000	.01½	.01½	.01	.01
No	.10	.05½	Mandy	10	.08½	.06	.10	2300
No	.12½	.03	Man. & Eastern	49,100	.07	.07	.06	.06
1	.14	.03	Maple Leaf	17,200	.03½	.03½	.03	.03½
5	46.00	36.25	McIntyre	1,300	39.00	41.00	38.00	39.00
1	1.45	1.06	McKenzie R.L.	20,125	1.18	1.20	1.15	1.16
1	.70	.40	McKinley	......	.40	.....	.....	.....
1	.46½	.07½	McMillan	1,501	.09	.09½	.09	.09
No	2.15	.45	McWatters	27,350	1.57	1.60	1.53	1.57
1	.40	.10	McVittie	33,400	.15½	.19	.15	.15
No	1.50	.85	Mining Corp.	2,100	1.25	1.25	1.15	1.20
No	.21	.07½	Minto Mines	......	.08	.....	.....	.....
1	.04	.01	Moffatt Hall	12,500	.02	.02½	.02	.02
1	.16	.09	Moneta	1,500	.09½	.10	.09½	.10
1	.79	.49	Morris Kirk.	30,500	.77	.79	.75	.76
1	.01½	.00½	Murphy	20,000	.01½	.01½	.01	.01
No	.04	.01½	Newbee	21,300	.01½	.02½	.01½	.02½
1	.04½	.00½	Night-Hawk Penn.	......	.01	.....	.....	.....
5	2.95	2.10	Nipissing	1,060	2.21	2.28	2.16	2.16
No	43.00	31.00	Noranda	11,423	38.85	39.60	36.75	39.25
No	.31	.16	Nor. Canada	2,600	.19½	.20½	.19½	.20½
1	.75	.30	O'Brien	5,860	.33	.37½	.36	.36
1	.10	.04	Osisko	......	.05	.....	.....	.....
1	.32	.18	Parkhill	15,800	.21	.22	.20	.22
1	.04½	.01	Pawnee Kirk.	1,100	.02½	.02½	.02½	.02½
1	.30½	.16	Paymaster	33,250	.24	.25	.22	.22
1	.84	.40	Pend Oreille	3,700	.60	.65	.60	.65
1	.83	.55	Perron Gold	1,700	.60	.60	.55	.55
1	.09½	.01½	Peterson Cobalt	2,100	.03½	.03½	.03	.03½
1	2.96	2.10	Pickle Crow	36,730	2.45	2.55	2.47	2.50
1	12.25	9.00	Pioneer Gold B.C.	815	9.80	10.00	9.65	10.00
1	.06	.03	Porcupine Crown	27,200	.04½	.05	.04	.04½
1	.01½	.00½	Potter Doal	......	.01	.....	.....	.....
1	2.05	1.35	Premier Gold	6,750	1.68	1.72	1.63	1.72
1	.02½	.01	Preston E. Dome	32,000	.01½	.03	.01½	.02½
No	3.05	1.25	Prospectors Air's	1,270	2.75	2.75	2.50	2.50
1	.80	.09½	Quebec Gold	1,500	.53	.45	.45	.45
No	.15	.02½	Quemont	......	.03	.....	.....	.....
1	.98	.55	Read Authier	7,310	.85	.88	.83½	.85
No	.41	.25½	Red Lake	46,850	.33½	.34½	.28	.28
1	1.67	.81	Reno Gold	29,600	.93	.92	.85½	.89
1	.00½	.00½	Ribago	......	.00½	.....	.....	.....
1	.02½	.00½	Ritchie	5,500	.01½	.01½	.01½	.01½
1	.09½	.02	Robb Montbray	22,280	.07	.09	.06½	.08
1	.10½	.04½	Roche Long Lac	13,000	.05	.05½	.04½	.05
1	5.30	3.05	San Antonio	3,937	3.30	3.25	3.10	3.18
50c.	1.25	.54	Sheep Creek	......	.85	.....	.....	.....
1	1.00	.45	Sherritt Gordon	57,795	.75	.88	.75	.85
1	3.29	2.49	Siscoe	15,960	2.60	2.65	2.55	2.50
1	4.60	3.30	South Amer. Gold	......	3.80	.....	.....	.....
No	.15	.03	South Tiblemont	61,400	.03	.03½	.02½	.02½
No	.32	.13½	Stadacona	1,047,150	.23½	.25	.23	.25
1	.39	.14½	St. Anthony	29,700	.24	.24	.22	.22
No	1.74	1.25	Sudbury Basin	7,210	1.55	1.65	1.55	1.60
1	.11	.05	Sudbury Contact	500	.05	.04½	.04½	.04½
1	.07½	.03	Sudbury Mines	22,000	.04½	.05	.04½	.04½
1	.89	.35	Sullivan Cons.	18,310	.70	.70	.67	.68
1	2.70	2.00	Sylvanite	9,225	2.32	2.34	2.28	2.30
1	.67	.25	Tashota Gold	8,500	.34	.35	.32	.32
1	4.70	3.67	Teck Hughes	7,635	3.97	4.03	3.94	3.95
1	.02½	.00½	Timiskaming	......	.01	.....	.....	.....
1	1.45	1.00	Toburn Gold	1,345	1.10	1.11	1.08	1.10
1	.30½	.10	Towagmac	500	.16	.16	.16	.16
1	.30	.10	Treadwell	......	.20	.....	.....	.....
No	.01½	.00½	Vacuum Gas	1,000	.00½	.00½	.00½	.00½
No	.32	.02	Vanson Man.	......	.03	.....	.....	.....
No	1.07	.80	Ventures	25,500	1.01	1.02	.96	1.01
No	.90	.45	Waite Amulet	2,226	.70	.75	.55	.75
50c.	.24½	.07	Wayside	10,012,221	.16	.19½	.15½	.16
No	.10½	.01½	White Eagle	8,500	.02	.02½	.02	.02
1	.07	.03	Whitney Coughlan	2,500	.03½	.04	.03½	.04
1	.07½	.03½	Wood Kirkland	2,500	.06½	.07	.06	.06½
No	9.90	7.20	Wright-Hargreaves	7,410	7.90	8.25	8.00	8.25
No	.85	.26	Yankee Girl	2,000	.30	.32	.30	.32
			OIL STOCKS					
No	.26	.17½	Acme Gas & Oil	2,850	.18½	.18½	.18	.18½
1	1.06	.50	Ajax	200	.49½	.47	.45	.45
No	.85	.49	Calgary & Ed.	300	.60	.60	.50	.50
1	.08	.04	Calmont	......	.05	.....	.....	.....
No	.05½	.03	Common Pets	500	.04	.03	.03	.03
No	.38	.18	Dalhousie	2,050	.20½	.20	.20	.20
No	.12	.05	East Crest	1,700	.07	.07	.07	.07
No	.21	.04	Erie Gas	32,500	.12½	.14½	.11½	.14½
No	.35	.08	Foothills	......	.30	.....	.....	.....
No	.80	.50	Home	1,200	.50½	.50	.48½	.49
1	.14	.05	Homestead O. & G.	......	.05½	.....	.....	.....
No	.13½	.07	Lowery	......	.07½	.....	.....	.....
No	.27	.16	Merland	1,000	.17	.16½	.16½	.16½
1	.28	.18	Model	2,500	.28	.28	.27	.27
5	.17	.03	Nordon	6,500	.11	.13	.10	.13
No	.07	.03½	Oil Selections	11,250	.04½	.04½	.04½	.04½
No	.06½	.03	Olga Gas & Oil	21,800	.03½	.03½	.03	.03
1	.65	.40	Petrol Oil & Gas	......	.60	.....	.....	.....
No	27.00	18.00	Royalite	1,151	20.12	20.25	18.25	18.75
No	.12	.04	South West Pete	......	.04	.....	.....	.....
No	.95	.55	Texas Can.	1,600	.75	.77	.73	.77

VANCOUVER STOCK EXCHANGE
(Transaction for Week to September 13.)

Par Val.	Range 1935 High	Range 1935 Low	Company	Sales	Close Sept. 5 (or last)	High for week	Low for week	Close Sept.16
1	.02½	.01½	Alexandria	......	.00½	.....	.....	.....
No	.16	.00½	Atlin Pacific	680	.06½	.06	.06	.06
25c.	.01½	.00½	Bayview	......	.00½	.....	.....	.....
20c.	.10½	.04	Beaver Silver	7,800	.04	.05	.04½	.04½
25c.	.02½	.01	Bluebird	......	.01½	.....	.....	.....
No	12.25	4.40	Bralorne	2,564	4.70	4.75	4.45	4.50
1	.08½	.03	Bridge River Cons.	3,400	.03½	.03½	.03½	.03½
50c.	.24	.07½	Bridge River Exp.	11,750	.09	.10½	.10	.10
1	.55	.14	B. C. Nickel	25,000	.14	.20	.16	.16
1	1.68	.90	B. C. Silver	1,000	1.40	1.25	1.25	1.25
10	43.00	43.00	Bunker H. Sullivan	.....	43.00	.....	.....	.....
50c.	.10	.03	Canadian Rand	......	.03	.....	.....	.....
1	1.50	.95	Cariboo Gold	3,545	1.12	1.15	1.08	1.15
No	14.00	12.50	Coast Breweries	1,451	14.35	15.75	14.50	15.75
1	.54	.17	Congress Gold	25,400	.18	.20	.17	.20
1	.09	.03	Cotton Belt	......	.09	.....	.....	.....
25	.00½	.00½	Cork Province	......	.00½	.....	.....	.....
1	.01½	.01	Dalhousie Mines	......	.00½	.....	.....	.....
No	.95	.23	Dentonia	9,950	.25	.25½	.23	.24
No	.06½	.01	Dictator	......	.01	.....	.....	.....
1	.17	.03	Dunwell T.	1,800	.05½	.03	.03	.03
No	.16½	.01	Fairview Amal.	11,800	.04	.08½	.06	.08½
50	.44	.25	Fawn Mining	1,000	.30	.25	.25	.25
1.	.13	.05	Federal Gold	5,800	.07	.07½	.06	.06
1	.20	.12	George Copper	......	.16½	.....	.....	.....
50c.	.07	.03	George Enterprise	9,100	.05	.05½	.04	.05
1	.01	.00½	Georgia River	8,000	.00½	.00½	.00½	.00½
50c.	.06½	.01	Glacier Creek	......	.01	.....	.....	.....
1	.42	.15	Golconda	7,100	.17	.17½	.15	.17½
50c.	.45½	.24	Gold Belt	3,500	.25	.25	.24	.24
50c.	.19	.07	Gold Mountain	4,700	.08	.09½	.08	.08
50c.	.04½	.01½	Grandview	13,000	.02½	.03	.02	.02
No	.24	.01½	Grange Mines	7,500	.01½	.02½	.01½	.02½
1	.10	.04½	Grull Wihksne	......	.06	.....	.....	.....
No	.03	.03	Haida Gold	......	.03	.....	.....	.....
25	11.50	6.40	Hecla	......	9.85	.....	.....	.....
50c.	.26	.18	Hedley Amal.	3,750	.19	.20	.19	.19
No	.12	.04	Hedley Sterling	......	.06	.....	.....	.....
1	.02	.01	Hercules Cons.	......	.01	.....	.....	.....
No	.12½	.03	Home Gold	14,500	.03½	.03	.03	.03
1	.01½	.00½	Independence	10,000	.01	.00½	.00½	.00½
1	.01	.01	Indian Mines	......	.01	.....	.....	.....
1	.20	.17	Inter'tl Coal	2,000	.20	.20	.20	.20
50c.	1.00	.68	Island Mountain	10,050	1.01	1.02	.95	1.00
50c.	.72	.33	Kootenay Belt	4,500	.31	.32	.30	.30½
25c.	.01½	.00½	Kootenay Florence	......	.00½	.....	.....	.....
1	.01½	.00½	Lakeview	......	.00½	.....	.....	.....
10c.	.04½	.01	Lucky Jim	2,000	.02	.01	.01	.01
No	.41	.07	Mak Siccar	9,400	.10	.11½	.10	.11½
50c.	.00½	.00½	Marmot Metals	......	.00½	.....	.....	.....
1	.21	.16	McGillibray Creek	......	.20	.....	.....	.....
10c.	.19	.03½	Meridian Min.	9,000	.04	.04½	.04	.04½
No	.24½	.05½	Minto Mines	4,850	.05½	.07	.06	.06
50c.	.12½	.03½	Morning Star	11,100	.04	.04	.03½	.03½
1	.02	.00½	Morton Woolsey	1,000	.01	.00½	.00½	.00½
50c.	.06½	.02½	National Silver	13,000	.03	.03	.02½	.02½
50c.	.17	.05	Nicola	19,100	.09½	.09½	.08½	.09½
50c.	.16	.05½	Noble Five	21,500	.06	.06	.05½	.06
No	.09½	.01½	Pilot Gold	8,500	.01½	.02	.01½	.02
1	12.50	9.10	Pioneer Gold	775	9.60	10.00	9.50	9.70
50c.	.15	.05½	Porter Idaho	7,500	.05½	.05½	.05	.05½
No	.01	.00½	Premier Border	......	.00½	.....	.....	.....
1	.02½	.01½	Quatsino Copper	......	.02½	.....	.....	.....
No	.17	.05	Quesnel Quartz	5,000	.06	.06	.05	.05
No	.18	.01	Reeves McDonald	550	.12	.10	.10	.10
1	.39	.25	Relief Arlington	3,000	.33	.35	.35	.35
1	1.62	.81	Reno Gold	15,700	.95	.96	.85	.89
1	.04½	.02	Reward Mining	4,000	.02	.02	.02	.02
1	.01½	.00½	Rufus Argenta	6,000	.01	.01	.01	.01
1	.05½	.00½	Ruth Hope	......	.00½	.....	.....	.....
1	.62	.18	Sally Mines	700	.24	.20	.20	.20
50c.	.18	.07	Salmon Gold	9,800	.09	.09	.07	.07
50c.	1.18	.55	Sheep Creek	2,900	.83	.85	.80	.80
1	.05	.02	Silverado	1,000	.02	.03	.03	.03
25c.	.02½	.00½	Silvercrest	1,000	.00½	.00½	.00½	.00½
20c.	.12	.01	Silversmith	17,500	.01½	.01½	.01½	.01½
50c.	.01½	.00½	Snowflake	......	.00½	.....	.....	.....
1	.75	.60	Standard Silver	400	.60	.55	.50	.52
10	23.75	11.45	Sunshine	100	22.50	19.50	19.50	19.50
No	.32	.15	Taylor Bridge	6,850	.15	.17	.14	.16½
1	.20½	.12	Taylor Windfall	......	.14	.....	.....	.....
5	.35	.20	Toric	......	.20	.....	.....	.....
50c.	.10	.03	United Empire	1,500	.04	.03½	.03½	.03½
No	.61	.13	Vidette Gold	6,600	.28	.27	.26	.27
No	.06	.01	Viking Gold	......	.01	.....	.....	.....
No	.07½	.02	Waterloo Gold	1,000	.02	.02	.02	.02
25c.	.01½	.00½	Waverley Tangier	3,100	.00½	.00½	.00½	.00½
50c.	.21	.07½	Wayside	40,550	.16	.19½	.15½	.17½
20c.	.04	.01	Wellington	......	.01½	.....	.....	.....
No	.09½	.02	White Eagle	......	.02	.....	.....	.....
1	.14	.04	Whitewater	3,300	.04½	.05	.04½	.05
No	.83	.23	Ymir Yankee Girl	1,100	.30	.32	.31	.31
			OIL STOCKS					
1	.22	.05½	Amalgamated	17,400	.05½	.07½	.05	.07½
1	.10½	.05½	Alta. Pacific	400	.06	.06	.06	.06
1	.04	.01½	Anaconda	......	.01½	.....	.....	.....
No	.05	.01½	Baltac	3,000	.02½	.00½	.00½	.00½
1	.07½	.05	Brit. Dominion	......	.03	.....	.....	.....
1	.25	.05	Crow's Nest	18,400	.05½	.08	.05½	.08
No	.03½	.01	Devenish	......	.01½	.....	.....	.....
No	.11	.04	Freehold	......	.04	.....	.....	.....
No	.04½	.02	Hargal	......	.02	.....	.....	.....
No	.15	.08½	High Sarcee	8,500	.11	.11	.10½	.10½
No	.01½	.00½	Madison	5,000	.00½	.00½	.00½	.00½
No	.17	.07	Marjon Oil	7,200	.11½	.12	.10½	.11
No	.05	.02	McD. Segur Ex.	1,000	.03	.02½	.02½	.02½
1	.48	.35	McLeod	......	.38	.....	.....	.....
No	.14½	.09	Mercury	900	.12	.11½	.10½	.10½
No	.14	.07	Mill City Pete	244	.08	.08	.07	.08
No	.06½	.03½	Okalta	500	.03½	.04	.03½	.04
No	.10½	.02	Pacalta Oil	......	.03	.....	.....	.....
1	1.17	.27	Ranchmen's	1,800	.29	.30	.27	.29
No	.01	.01	Richfield	......	.01	.....	.....	.....
1	.28	.15	Spooner	......	.20	.....	.....	.....
No	.10	.03½	United	......	.04½	.....	.....	.....
No	.14	.04	Vanalta	1,000	.04	.04½	.04½	.04½
1	.05	.04	Wellington Oil	......	.05	.....	.....	.....

DIVIDEND PAYERS

	Rate	Yield		Rate	Yield
Acme Gas	2c.	.....	McIntyre	$2	5.03
Anglo Huronian†	40c.	.....	McKinley Sec.	2½c.	.....
Buff. Ankerite	20c.	7.27	Model Oils	3c.	.....
Bulolo Gold‡	1.20	.....	Nipissing	12½c.	.....
Calgary & Ed.	5c.	.....	Noranda	$1	.....
Coast Brew.	92c.	5.84	Nor. Canada†	2c.	.....
Coniagas‡	12½c.	.....	Petrol Oil‡	3c.	.....
Cons. Smelters	$1.25	.....	Premier	12c.	6.97
Dome Mines	$2	4.81	Pioneer, B.C.	80c.	8.00
Falconbridge	7½c.	.....	Reno	12+2c.	13.48
Hollinger	65c+5c.	4.67	Royalite	75c.	.....
Howe Sound	$3	.....	San Antonio	7c.	.....
Howey Gold	3c.	.....	Siscoe	20c.	7.69
Hudson Bay†	50c.	.....	So. Amer. Gold	10c.	.....
Int. Coal & Coke	1c.	.....	Sunshine	30c.	.....
Inter. Mining	15c.	.....	Sylvanite	20c.	2.69
Int. Nickel c.	80c.	.....	Teck Hughes	40c.	10.10
Kirk. Lake†	13c.	.....	Toburn	8c.	7.27
Lake Shore	2+50c.	3.96	Wright-Har.	40+5c.	4.84
Macassa	5c.	.....			

†Interim. ‡Initial.

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Grab Samples from N. W. Ont.

From Our Own Correspondent

SIOUX LOOKOUT.—Active operations will be resumed in a few days on another of the Sturgeon Lake prospects, financing having been arranged to carry a programme on the Dawson-Symes-Lavrier property, north of and adjacent to St. Anthony Gold, at present the only producer in the area. Diamond drilling is proposed on the main show, and an existing shaft now down to 60 ft. will be deepened to 150 ft., according to plans of the sponsors, with work under the direction of Arnold Saunders, M.E.

* * *

Supreme Exploring

In the adjacent area, Supreme Gold Mines, is continuing exploration, and a late report from the property carries word of a new vein discovery, said to be high grade. A quartz vein is reported opened for a length of 180 ft., with visible gold noted at several places along the vein, and a series of excellent assays obtained from initial samplings. Surface operations are continuing at Supreme, with W. F. Stewart in charge.

* * *

Mine Centre Area

Mining operations in the Mine Centre Area are maintaining balance, with work having been suspended on the Stagee property of Wells—Long Lac Gold Mines, and resumed on the property of South Vermillion Gold Mines. Wells is shipping its mining plant to the original property in the Little Long Lac gold field, where extensive drilling has yielded results on which to base an underground campaign to be carried out immediately. At South Vermillion Gold Mines, recent recommendations of W. M. Rice, M.E., will be carried out, and the present shaft, now down to 60 ft., will be sunk to 150 ft., with complementary lateral exploration at that horizon.

East of Mine Centre, near Atikokan, Elizabeth Gold Syndicate is making progress. The old mine of that name, is being revived with unwatering of the workings placing three levels under extensive sampling, which is well under way. Arrangements are being made to explore veins, the presence of which was only recently known.

* * *

Stellar in Old Area

Stellar Gold Mines, has recently optioned the Headlight and Golden Crescent mines, both old properties explored during the boom in the Seine River region in the late '90's, and further exploration is planned.

* * *

Another of the original discoveries in the Sturgeon River field is responding to development in impressive manner, the Maloney Sturgeon Gold Mines property having lately revealed further high-grade material in the original vein, which has been traced for 1,000 ft. It is now proposed to sink on this occurrence, and if the values persist install a small mill. Meanwhile, cobbing and bagging the ore from the shaft work is going on. This discovery, in which Karl Springer Exploration Co., is heavily interested, was made by Rene Maloney early in local activity and was largely responsible for the heavy staking which ensued last summer. The Maloney lies west of the underground operations of Sturgeon River Gold and Casey-Contact Gold.

Gold Lake Purchases Vanson Mining Plant

From Our Own Correspondent

WINNIPEG.—Gold Lake Mines is all set to go into mining operations on a substantial scale. By a deal just completed, Gold Lake has purchased the entire mining plant owned and operated for a short time by the Vanson Manitoba Mines. The deal includes all the electrical machinery, power plant, etc., and which was only installed early last winter. The consideration is reported to be 125,000 shares of Gold Lake Mines stock.

Gold Lake, on which a large amount of work has been done over the past two years, is now engaged in a diamond drilling programme.

Bulolo Gold Dredging Sets Record in August

From Our Own Correspondent

MONTREAL. — Bulolo Gold Dredging reports gold production in August at 11,837 ounces—the highest monthly output on record. This compares with 10,847 fine ounces in July and 10,001 fine ounces in August, 1934.

Estimated net working profit last month is shown at 8,826 ounces which is equivalent to $308,910 with gold calculated at $35 an ounce in Canadian funds. In July net working profit was estimated at $262,575 and in August, 1934, $262,710.

Four dredgers were in operation during the month.

Fourth Well Brought In In Kakwa, Manitoba Field

From Our Own Correspondent

WINNIPEG. — No. 4 well being drilled by Petroleum Engineering Co. of Winnipeg for Amalgamated Oils came in recently at a depth of 275 ft. with a good flow of gas. This was drilled in the Kakwa field 30 miles south of Hudson Bay Junction. Officials here do not attach undue importance to it and will continue with the series of test wells already planned. In view of data now assembled, however, announcement has been made that the company will proceed with the sinking of a deep test well. Gas has been brought in in three wells previously drilled from apparently the same horizon.

WYLIE-DOMINION GETS NEW OFFER NORANDA IS OUT

Injunction Preventing Meeting of Shareholders Lifted

The injunction issued some weeks ago, restraining Newton Wylie, president of Wylie Dominion Gold Mines from calling a meeting of shareholders of the company to discuss new financing arrangements has been lifted, and the meeting will be held in Winnipeg on Sept. 24, The Financial Post learned in conversation with an official of the company.

In the meantime, the deal whereby Noranda Mines Ltd., potent Quebec copper-gold producer, would finance the development on Wylie-Dominion, has been dropped, and a new agreement signed, with western interests, represented by Charles St. Clair Parsons, mining engineer.

Under the terms of this agreement, signed on August 29, a new company will be formed with an authorized capitalization of three million shares, par value $1. Outstanding stock of Wylie-Dominion Gold Mines will be exchangeable for this new stock, share for share. On the date the agreement was signed, the new interests deposited $20,000 in the bank, this official told The Financial Post. In addition, the new interests have agreed to put up $36,000 in six months at the rate of $6,000 per month. In return for these advances, the new group will take down stock until they have acquired a total of 1,156,000 shares of the new company.

Pooled For 12 Months

As to shareholders, they will be given 12 months to transfer their stock on the share for share basis. The stock in the new company will, accordingly, be escrowed for 12 months, while the Wylie-Dominion stock remains free.

The new financial sponsors have agreed to start construction of the mill 12 months after formation of the new company, the name of which has not yet been selected.

At the present time, there are about 1,644,000 shares of Wylie-Dominion's three million share capitalization outstanding. With the 1,156,000 shares eventually to be acquired by the new interests, the new company will have 200,000 shares left in the treasury.

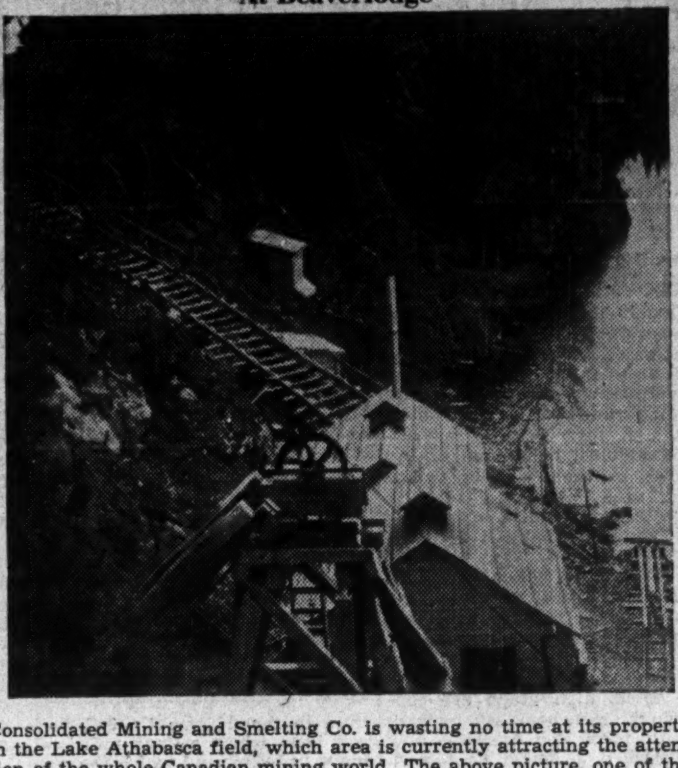
Bob Hassett, veteran northern prospector and Jack Paton, diamond drill expert are already on the property and it is understood they are making an inventory of supplies and equipment and generally getting things in shape for a resumption of work. There is a shaft down 125 feet and a considerable amount of lateral work done on this level. The property lies northeast of Cranberry Portage, near the Sherritt-Gordon railway.

Morris Kirkland Cuts Ore Below the 750-ft. Level

Morris Kirkland Gold Mines, formed to acquire the property formerly held by Kirkland Gold Belt Gold Mines, is getting results from drifting and drilling in the lower workings of the Mine, George Morris, president, reports from the property. The 706 drift has now 75 ft. of ore, averaging 4 ft. wide of mill grade, with the last face in the northeast end running over $11 across the face. Three diamond drill holes put down below this ore body cut the vein at 34 ft., 54 ft. and 76 ft. below the level for $7 across two ft.; $14 across one ft.; and $77 across one ft. widths. A fourth hole will now be put down to cut ahead another 40 ft. at greater depth.

The company retained James Grant recently to make mill plans for a 100-ton mill. Plans for mill and crushing plant will be ready this month, the company reports.

At Beaverlodge



Consolidated Mining and Smelting Co. is wasting no time at its property in the Lake Athabasca field, which area is currently attracting the attention of the whole Canadian mining world. The above picture, one of the most recent to come from the field, shows the No. 1 shaft at Smelters' property, looking southwest. The compressor building, pole stairway, headframe and blacksmith shop can be seen. The company has recently started No. 2 shaft about 1,200 ft. northeast of the operation shown in the picture.

Sturgeon River Today

"Shirt-cuff" Notes from Famed Area Presented as "Fiscal Year" Comes to a Close

Sturgeon River is ending its fiscal year.

Just about a year ago, this area north of Lake Superior was getting the full floodlight of publicity as Canada's newest gold field. New companies sprang up overnight. A rush which equalled in intensity, if not in area, the old time gold stampedes, was under way. Hopes for the new area ran high.

After the shouting and the tumult died, a score or so of companies took off their coats, so to speak, and got down to work. Today the area looks as if it were shaping up well, and it is interesting to take stock of developments. The following shirt-cuff notes were prepared by The Financial Post correspondent in the field:

Coniagas Results

Sturgeon River Gold Mines, has started lateral development on four levels from the shaft recently completed to 523 ft. Crosscuts have been run and a small amount of drifting completed. Ore grade is reported satisfactory. . . . Casey-Contact Gold Mines, has opened up ore on four faces at the 200-ft. level, the lowest attacked on this prospect, which is the second most advanced in the field, and a new vein has been cut in a recent crosscut showing vein material across fifteen inches. . . . Leitch Gold Mines has been drilling, and following the completion of a few more check holes it is expected this operator will install a mining plant for underground exploration, development here being under direction of Springer Sturgeon Gold Mines. This is an old iron staking of years ago. Now, however, drill intersections for the first eight holes show an average grade of slightly over one ounce gold across a true width of 33.5 inches, and after reducing some high assays a grade of one-half ounce is indicated for same average width for a length of 400 ft.

Sand River Drilling

Sand River Gold Mines, adjoining the Leitch, has also had success in a heavy diamond drilling programme, and shaft sinking is an early development at this prospect, according to official plans . . . . Karl Springer Exploration Co., reports a promising new showing on a group of 15 claims south of Paint Lake, where a shearing 15 ft. wide has been opened for a length of 350 ft. with quartz lenses in the shear carrying gold values across mining widths, and work continuing . . . . Maloney Sturgeon Gold Mines, working on one of the discoveries that started the boom last year, has opened a section of spectacular high grade in the main vein which has been traced for about 1,000 ft.; plans are made to sink on this show, cob and bag high grade ore, and if sinking substantiates surface indications to put in a small mill to treat the material on the ground.

K. L. Exploration

K. L. Exploration Co. has opened up the Knox discovery, also one of the originals, to show one of the most impressive vein lengths in the area. Sampling is now being carried out and the owners have already received financing offers from responsible operators . . . . Tylac-Sturgeon Gold Mines has awarded a contract for drilling each of its three-claim groups in different parts of the Sturgeon River belt . . . . Two veins have been discovered on the No. 1 group of claims of the Sweet-Sturgeon Syndicate. . . . A surface crew is preparing for diamond drilling on the Mid-Sturg Gold Syndicate property south of Sturgeon River Gold and the Augaura Exploration claims, and is also working on the Beaumont discovery of last year . . . . MacJoe Sturgeon continues its programme, which has embraced surface work and diamond drilling . . . . Surface work is under way on several properties.

Since the above brief survey discloses two shafts completed, two projected definitely, and others likely, it can be stated that for a new and highly publicized discovery field, the Sturgeon River gold belt is actually making substantial progress. Prospecting has taken a considerable spurt in recent weeks. Many of the stakings were entirely idle during the early part of the season, but the significant results on the properties that have continued working has given encouragement to others.

PARKHILL TO OPEN TWO MORE LEVELS DEEPENING SHAFT

Driving East on Tenth Level for Downward Extension of Smith Vein

Two new levels are to be opened up on the property of Parkhill Gold Mines in the Michipicoten area, shaft sinking to the 12th level having commenced last month. From the ninth level down, the shaft has been widened to three compartments.

Operations on the ninth and tenth levels east have encountered the No. 2 vein. On the tenth level east this vein has been drifted on for a distance of 480 ft. and on the ninth level east for a distance of 130 ft. A number of stopes have been opened up on both levels along its length. Values over a stoping width of three ft. and better are averaging .7 oz. per ton.

Seek Smith Vein

On driving east on the tenth level to pick up the downward extension of the ore zones under development on the adjoining Smith property a new ore shoot was encountered yielding spectacular high grade. The indicated average value over a length of 90 ft. and a width of three ft. is .71 oz. Car samples average 1.1 oz. Vein widths in drift average about 12 inches. A raise has been started up and for the first 35 ft. has been in good ore showing quartz widths up to 30 inches. The drive east is continuing and still has some 600 ft. to go before reaching the anticipated extensions of the Smith ore shoots.

The west drift on this horizon should soon pick up the 9,206 ore body now being stoped on the ninth level. This stope has yielded a good grade of ore but is apparently at the apex of the shoot. The present faces on the tenth level west are approximately 450 ft. from the central ore zone.

Development is proceeding east on the ninth level in an attempt to locate the upward extension of the new ore shoot found on the tenth level. Drifting west is continuing along the strike to the central ore shoot, with about 100 ft. to go, and will then be extended to the western zone.

Will Eliminate Dead Work

The company reports now that the ore picture has been more definitely worked out much of the dead work necessitated on the upper levels will be eliminated and the ore should come in more quickly. The ore shoots, it has been found, occur at the junction of shears of various sizes cutting across the main shear. Although some of the ore shoots are local in extent the main ore bodies have been found to persist to depth and other small shoots are located to replace those which disappear on the upper levels.

The Parkhill ore zones can be roughly divided into four sections. Three occur along the main east-west shear and the fourth in a north-south system cutting across the main shear. This narrow shear dips flatly on an angle of about 42 degrees and contains irregular lenses of quartz with the ore shoots raking sharply to the east.

Experience has taught the management that if, when drifting along the shear, gold values up to about $12 per ton over narrow widths are obtained it generally pays to investigate by raising, as very often an ore body will be opened up above the level horizon.

August Production

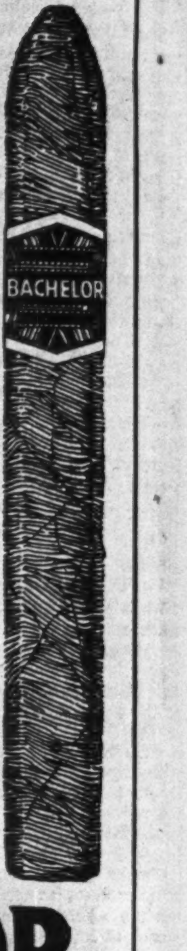
For the month of August the company reports production of $35,200. This brings total output for the first eleven months of the fiscal year to $286,872.

Duparquet Mining Co. Cuts Orebody at Depth

Assay results from diamond drill hole No. 33 show that the ore body of Duparquet Mining Co. extends to a depth of almost 1,000 ft., according to official advice. The results obtained in this hole extend substantially the known length as well as the known depth of the ore body.

Assays show values of $19.25 per ton over a five ft. width at a depth of 800 ft. Over a 20-ft. width, values averaged $8.05 per ton. These correspond with the values previously obtained by drilling, particularly in drill hole No. 29 which, at 500 ft., ran into ore yielding $17.85 a ton over a width of three ft., and $8.70 over 36 ft.

Hole No. 33 was spotted 125 ft. east of hole No. 29, thus extending the known ore length of the ore body underground to over 750 ft. By surface trenching, the ore has been traced for 1,500 ft.



The BACHELOR'S CORNER

Escape to Havana

Most of the crowd at the office have been back from their holidays long enough for it to be safe to congratulate a fellow by slapping him on the back — and live to tell of it. Most of them paddled, played golf, swam or hiked, and otherwise ran their heads off, for two weeks. If they expended energy at that rate in the office they'd be general managers or nervous wrecks inside of three months. But they all look rested and relaxed. Some of them have been demonstrating just how rested and relaxed they are ever since they came back.

The Chief was commenting on it.

"It isn't always rest you need," he said. "It's usually a brief lift out of the humdrum, a momentary escape from little things that get to worrying us too much."

"You're right, Chief," I agreed (I have to anyway), "and have you ever noticed, just when things are toughest, what a wonderful pick-me-up and relaxed feeling you get from a Bachelor?"

Maybe any good cigar would do the trick, but there's nothing like it for me when I lean back, light up, pull in that pure Havana fragrance, and say to myself—

"IT'S GOOD TO GET BACK TO A 10c CIGAR!"

WILSON'S
BACHELOR
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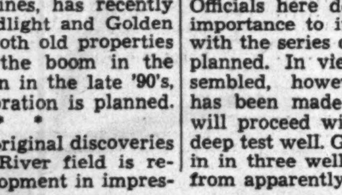

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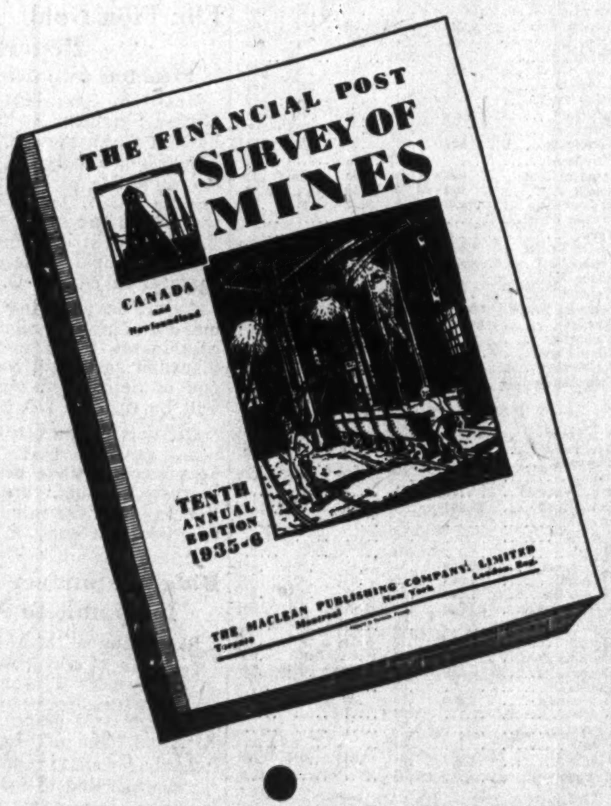

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